

BAT Deal Finds New Foes: 200 Members of Congress

WASHINGTON — Reflecting a growing concern in Congress about the use of debt in corporate acquisitions, more than 200 congressmen have signed a letter asking Secretary of State James A. Baker 3d to express concern to the British government about a \$21 billion hostile bid for BAT Industries PLC.

BAT, based in London and the world's largest tobacco company, also has significant interests in financial services, paper and retailing — including such U.S. holdings as the Fifth Avenue and Marshall Field department stores and the insurance concern Farmers Group, its U.S. subsidiary, Batus Inc., is headquartered in Louisville, Kentucky.

"Thousands of communities across America will be hurt by this hostile bid," according to the letter to Mr. Baker.

The letter, disclosed Thursday by Kentucky's two senators, Mitch McConnell, a Republican and Wendell H. Ford, a Democrat, said the congressmen were "deeply concerned" about the bid, which they said would eventually "dismantle a company that is important to hundreds of U.S. communities."

Last month, the Anglo-French financier Sir James Goldsmith, the British merchant banker Jacob Rothschild and the Australian investor Kerry Packer, and other investors, made an offer for BAT valued at about \$13.4 billion (\$21.7 billion) through Hovlyake Investments Ltd.

Sir James responded to the challenge from Congress by asserting that the letter was the result of a BAT lobbying campaign. The International Herald Tribune reported from London.

"This is yet another tribute to the tentacular lobbying power of a sprawling, tobacco-based conglomerate," Sir James said. "It is perfectly obvious that no jobs, nor any policyholder interests, are in any way jeopardized by our bid, as has been made clear in the offer document."

A Hovlyake source in London, responding to congressional charges that the bid was "designed to ignore the rights of Americans that hold shares in BAT through American depository receipts," said that less than 5 percent of BAT's outstanding shares are in the form of ADRs.

"With 95 percent of the shares held in Britain," the source said, "I would bet the SEC would say it should not get involved."

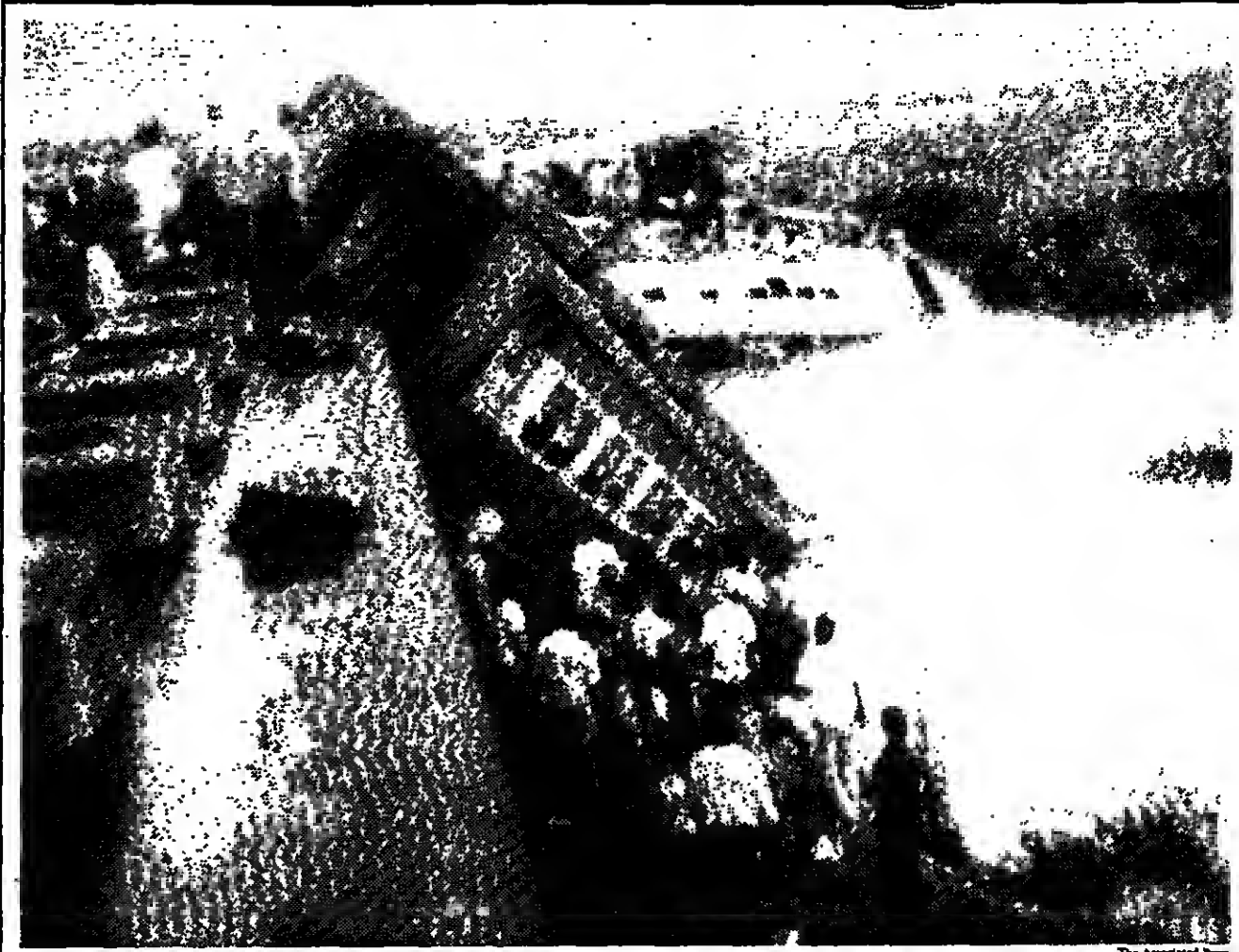
The objection by members of Congress to a takeover involving no American participants was unusual, Kurt Eichenwald of The New York Times reported from New York. But the BAT bid presents a perfect case for Congress to express its concern about leveraged deals, primarily because there are almost no constituencies in the United States that stand to gain from the bid.

Some of the members of Congress also requested that the Securities and Exchange Commission examine the legality of that structure.

Objections to hostile takeover bids by members of Congress and other politicians are not unusual. Frequently they are raised by members representing the interests of a local constituent, in this case the workers at the U.S. subsidiary of BAT.

However, such objections have not had any major impact in the past in stopping a deal.

Since last year's record \$25 billion buyout of RJR Nabisco by Kohlberg, Kravis, Roberts & Co., members of Congress and officials in the Bush administration have increasingly been expressing concern about highly leveraged deals. The New York Times reported. A number of proposals are now under consideration that some congressmen believe would slow the use of debt in corporate takeovers. (NYT, AP, IHT)



104 DIE IN NORTH MEXICO TRAIN CRASH — Rescue workers searching on Thursday the wreckage of a train that derailed near Los Mochis in Sinaloa State, killing at least 104 people and injuring up to 220. The train plunged off a bridge and fell about 25 feet into the Bama River early Wednesday while en route from Guadalajara and Mazatlan to the northern city of Mexicali, on the California border. Torrential rains over the last week apparently loosened the rail bed, investigators said, causing the derailment.

Hostage Talks Are Predicted

Paper in Tehran Foresees Pakistan As Intermediary

WASHINGTON — A Tehran newspaper predicted Thursday that indirect U.S.-Iranian discussions on the fate of hostages in Lebanon would begin within the next few days with Pakistan as a possible go-between.

But the White House, while saying it wanted to maintain communication with Iran, sought to dampen speculation that a specific new initiative was under way to free the hostages.

The Tehran Times, which is close to Foreign Ministry thinking, gave the second strong signal since Tuesday of Iran's willingness to resolve the hostage crisis.

The newspaper said in an editorial that political observers "believe that in the next few days we should expect certain moves toward mediation, of course unofficially."

In Washington, Marlin Fitzwater, the White House spokesman, said: "We want to keep the lines of communications open. We are prepared to talk to any party that can help with the release of the hostages, including Iran."

But in referring to the report in the Tehran Times, he added that "there is not a new set of special discussions that we are aware of."

Mr. Fitzwater said the news story was encouraging because "it seems to indicate an openness to discussion."

The Iranian news agency, IRNA, stressed that no negotiations had started between Washington and Tehran on the eight Americans among 18 Westerners believed held in Lebanon.

It said that the U.S. government had sent messages through third parties but that Iran had rejected them because some of the messages had an "insolent tone."

The Tehran newspaper, in what was widely seen as an official signal from the new Iranian leadership, said earlier this week that the government would respond promptly once the United States agreed to return assets frozen by the United States in 1979.

In its editorial on Thursday, the newspaper said the talks would probably take place under the mediation of Foreign Minister Sahabzadeh Yaqub Khan of Pakistan. Pakistan is a close ally of the United States, and Mr. Yaqub Khan is scheduled to visit Tehran next week.

Mr. Fitzwater said that he was unaware of any plans by Mr. Yaqub Khan "to initiate those kinds of discussions," but he added that the United States "would take advantage of every visit like that to send a message."

He noted that President George Bush had said he was making every effort possible to win the freedom for 18 foreigners believed See HOSTAGE, Page 6

Kremlin, to Spur Farmers, Offers Them Foreign Currency

By Bill Keller
New York Times Service

MOSCOW — In a novel attempt to slash grain imports and increase domestic harvests, the government announced Thursday that it would begin paying farmers in foreign currency for part of their crops.

Starting with this year's harvest, farmers will receive prized foreign currencies instead of rubles for wheat and other crops that they grow in excess of their average production during the early 1980s, Tass reported.

The government news agency said that the experiment would be limited initially to state and collective farms, which produce the vast bulk of Soviet grain, but the government promised to study extending the incentive to leasehold farmers and other small-scale entrepreneurs.

The idea of spending scarce foreign currency on Soviet farmers instead of American grain traders has been promoted by several independent economists as a way of easing the country's foreign debt and diverting money to consumer imports.

Nikolai P. Shmelyov, an economist who has pressed for more far-reaching measures to revive the economy, said in June that paying farmers instead of foreign grain merchants could bring "colossal savings of foreign exchange."

"Ours are a modest people," Mr. Shmelyov said in a speech to the Congress of People's Deputies. "I am sure that we do not need to pay them \$200 per ton of grain," the approximate cost of imported wheat. "Seventy-five dollars would do — they will sell for that."

Tass said farmers would be paid convertible currencies worth 40 to 60 rubles per ton of wheat, \$46 to \$96 at the official exchange rate, depending on the variety, which would be in the general price range Mr. Shmelyov suggested.

Farmers are also to receive foreign currency for sunflowers, soyas and several other crops used for vegetable oil and feed.

Tass said the farms would be free to spend the money as they wished, either for equipment to further increase production or for imported goods to reward their workers.

The craving for imported goods here is so intense that a dollar, officially worth six-tenths of a ruble, now sells for about 10 rubles on the black market.

But no economic problem is more acutely embarrassing to the government than the country's inability to produce enough grain to feed itself.

Prime Minister Nikolai I. Ryzhkov, speaking to the Congress of People's Deputies in June before the new grain program was announced, estimated that the Soviet Union would spend about \$8 billion on imports of grain and other food this year, including 44 million tons of grain from the West and one-fifth of the country's vegetable oil.

"These purchases have us by the throat," he said.

Church Cancels Move Of Auschwitz Convent

By A. D. Horne
Washington Post Service

WARSAW — The Roman Catholic Church announced Thursday that it would not honor a 1987 agreement to move a group of Carmelite nuns from the Auschwitz concentration camp to an interfaith prayer center that was to have been built about 548 meters outside the fence of the camp.

Cardinal Franciszek Macharski of Krakow said that he made the decision because of "a violent campaign of accusations and slander" by some Western Jewish groups, which he said "made it impossible for me to continue to construct the center."

Under the agreement signed by the Polish church and the World Jewish Congress, the 14 nuns were to be moved to new quarters by Feb. 22, 1989.

When the deadline passed without ground being broken, several groups went to Auschwitz to protest. Seven American Jews scaled the fence of the convent on July 14 to hold a vigil, but were evicted by Polish workmen.

After the protest and a July 23 march by members of the European Union of Jewish Students, the Krakow episcopate reaffirmed its intention to build the interfaith center.

But Cardinal Macharski said Thursday that "in this atmosphere of aggressive demands and unrest inflicted upon us, it is not possible to care together for the construction of a place of mutual respect."

He said that the timetable agreed to in 1987 was unrealistic.

In Washington, the World Jewish Congress denounced the cardinal's statement as "brutal and violent." The group said that Cardinal Macharski's remarks were "a tragic blow to those of us in the Jewish and Catholic world who have worked so long to foster mutual understanding and respect."

Jewish groups have objected to the presence of the nuns at Auschwitz on the grounds that about 90 percent of the prisoners who died at the camp during World War II were Jews.

The nuns came to Auschwitz in 1984 and the Carmelite order restored the building in violation of a 1972 declaration by the United Nations Educational, Scientific and Cultural Organization that listed Auschwitz as a world cultural heritage site that should be kept unchanged.

Vatican Reports Remarks

The Vatican radio carried Cardinal Macharski's statement, United Press International reported from Rome.

Vatican observers said that the inclusion of the remarks in the radio programming, as well as their distribution to reporters by the Vatican press office, suggested that Pope John Paul II approved Cardinal Macharski's position.



BREAKING AND RE-ENTERING — Vietnamese refugees returning to a detention camp outside Hong Kong on Thursday after leaving to shop for groceries. The camp is home to about 7,200 detainees, who have clashed recently with local vigilante groups.

Kiosk

Missing Plane: Satellite Clue

ADDIS ABABA, Ethiopia (AP) — Crews searching for the plane carrying U.S. Representative Mickey Leland were told Thursday that a U.S. satellite picked up an aircraft signal, and rescue workers were dispatched to the rugged area.

The weather satellite pinpointed the source of the signal at 84 miles (136 kilometers) southeast of the capital, Addis Ababa, far off the flight plan of the missing plane. The plane, carrying Mr. Leland and 13 other people, has been missing since Monday.



Bernard Langer watching his fourth-hole tee shot in the opening of the PGA Championship. Mike Reid led with a 66. Page 17.

General News

Prime Minister Czeslaw Kiszczak's hopes of forming a Communist government have hit serious trouble. Page 2.

Business/Finance

The Finnish conglomerate Oy Wartsila is reducing its ship-building operations. Page 11.

Crossword

Down Close The Dollar in New York

Up	1.9065
Down	1.8175
Yen	139.85
FF	6.443

Bush Appoints Powell To Head Joint Chiefs

By Andrew Rosenthal
New York Times Service

WASHINGTON — General Colin L. Powell, the former White House national security adviser, is appointed as chairman of the Joint Chiefs of Staff on Thursday, coming the youngest man and a first black officer to hold the post.

In selecting General Powell, President George Bush chose a man whom many consider to be the model of a modern army general at a time when diplomatic finesse and foreign policy expertise are as important as combat experience.

Mr. Bush, making the announcement at a Rose Garden ceremony, said, "Colin Powell has had a truly distinguished military career and is a complete soldier."

As President Ronald Reagan's top national security adviser, then as national security adviser General Powell was a key figure in the summit meetings and negoti-

ations that improved relations between the United States and the Soviet Union.

The choice is expected to meet little opposition in the Senate, whose approval is needed for the appointment. General Powell is considered a forceful leader, is highly respected in the diplomatic community and, like the man he would replace, Admiral William J. Crowe Jr., of the navy, is a considered a military intellectual.

At 52, General Powell is among the youngest four-star generals in American peacetime history. He was promoted to that rank in April.

As chairman of the Joint Chiefs, he will be the principal military adviser to the president, the National Security Council and the secretary of defense and a member of a new Pentagon executive committee that was established by Defense Secretary Dick Cheney.

Although not legally in the chain See CHIEF, Page 6

Even the Palawan Stink Badger Has Its Defenders



By Barry James
International Herald Tribune

A two-faced approach is keeping tigers off people's backs in Bengal, and therein lies a tale about keeping rare species alive.

Noting that the fearsome Sunderban tiger in West Bengal attacks men only from behind, wildlife management authorities at the tiger reserves there send honey collectors and other workers into the mangrove forest with rubber masks tied to the backs of their heads.

Since that method was adopted in 1987, not a single worker wearing a mask has been attacked — but 30 workers who preferred to put their faith in traditional deities or who neglected to put on the masks were killed in one year, according to Peter Jackson, an expert on big cats.

The story is one of the successes in the mostly losing battle of ensuring the survival of wildlife species amid spreading civilization that both destroys their habitats and destroys them because of aversion, greed, neglect or fear.

This weekend, about 200 specialists belonging to the Species Survival Commission will meet in Rome to discuss how that battle should best be conducted.

They are to draw up a plan called "Heritage Species" to protect some of the world's more threatened plants and animals — which include, the elephant, of course, but also less endearing beasts such as vampire bats, black rats, crocodiles and Palawan stink badgers.

The idea of equipping human beings with rearward-facing masks — in effect, adopting the mimicry defense of many animal species — along with other methods such as sending workers into the forest dressed in suits of plastic armor and setting up electrified dummy humans, has helped reduce the casualty rate and thus lessen the friction between people and the Sunderban tiger.

This has made it possible to ensure the survival of the tigers, whose numbers have doubled under a program launched in 1973 with support from the World Wildlife Fund.

"The maintenance of biological diversity has got to be one of the highest environmental priorities in the world," said Mark Halle, director of field operations for the International Union for Conservation of Nature and Natural Resources in Gland, Switzerland. The organization, which groups governments, government agencies and nongovernment organizations such as the Sierra Club, is the parent of the Species Survival Commission.

Mr. Halle acknowledged that it was difficult to See BEASTS, Page 6

U.S. Chides El Fatah for 'Rhetoric'

The Associated Press

WASHINGTON — The State Department said Thursday that a Palestine Liberation Organization statement raised questions about the group's "commitment to accommodation, understanding and peace."

A department spokeswoman, Margaret Tutwiler, commented in response to a question about the statement by El Fatah, the main group of the PLO, at a meeting in Tunisia.

Delegates to the fifth congress of El Fatah approved a resolution calling for "intensification of the armed struggle and all other forms of battle to put an end to the Israeli occupation of Palestinian territories."

The Fatah resolution, distributed by the Palestinian news agency Wafa, did not say what kind of military operations might be conducted outside the occupied lands or define "all other forms of battle."

Hard-liners had pressed the congress to recommend extending the armed struggle beyond the West Bank and Gaza. The declaration by Yasser Arafat, the PLO leader, that military action would be confined to the occupied territories had helped persuade the Bush administration to open a dialogue with the PLO.

At the State Department, Ms. Tutwiler said the political program raised questions about El Fatah's commitment to accommodation, understanding and peace. She criticized the statement's "derogatory rhetoric" on Israel and its "tone of confrontation and violence."

Kiszczak Set Back In Poland

Peasants' Party Hears Out Walesa

By A.D. Horne

WARSAW — Leaders of a small but crucial member of the ruling coalition in the Polish parliament started talks Thursday with the Solidarity opposition movement to explore Lech Walesa's proposal for a coalition that would exclude the Communists.

The United Peasants' Party, junior partners in a succession of Communist-led coalitions for more than 40 years, made it clear, however, that its decision to look into the proposal Mr. Walesa announced Monday did not mean it was withdrawing its support from Prime Minister Czeslaw Kiszczak's effort to form a government.

The leader of the United Peasants' Party, Alexander Bentkowski, met Mr. Kiszczak on Thursday to discuss his party's dissatisfaction with the government being formed. After a meeting of the Peasants' Party caucus Wednesday, Mr. Bentkowski told a Polish television interviewer that his members were hearing much criticism of the government from their constituents and that he expected a majority of the 76 Peasants' Party deputies to vote against confirming the new cabinet.

One reason for the Peasants' Party complaints is that the defeat of the Communists in legislative elections in June has given Peasants' Party members and their allies — the Democrats and three small Christian parties — a chance to demand larger roles than they have usually been allotted in Polish governments.

The Peasants' Party, whose seats form a potential swing vote in the Sejm, or lower house, have seized on Mr. Walesa's unexpected proposal to maneuver for more, and more important, positions in the cabinet that Mr. Kiszczak is trying to form.

After his meeting with Mr. Kiszczak, Mr. Bentkowski said the party would receive four cabinet posts, with one of its ministers also serving as a deputy prime minister. That would be twice its strength in the outgoing cabinet, but Mr. Bentkowski said "some members" want five ministers.

While the rural-based party now holds the Agriculture and Environment ministries, there is speculation that its leaders are also demanding the Foreign Ministry as their price for continuing to support a Communist government.

The smaller Democratic Party, with 27 seats in the Sejm, has also announced its willingness to explore Mr. Walesa's proposal in direct talks while continuing to cooperate with its Communist allies on forming a government. The Communists, for their part, have denounced Mr. Walesa for "violating the rules of the game," as the government newspaper Rzeczpospolita put it Wednesday.

Mr. Walesa's statement, issued Monday from his office in the Baltic port of Gdansk, also took Solidarity's legislators by surprise, as the floor leader, Bronislaw Geremek, acknowledged at the opposition movement's caucus Wednesday.

With Mr. Geremek on a trip to Italy on Thursday, two of his deputies, Senator Andrzej Wielowiejski and Jacek Kuron, met for an hour with Mr. Bentkowski and two of his deputies. Also present at the meeting were representatives of Mr. Walesa and of Rural Solidarity. Mr. Bentkowski said they agreed to meet again Wednesday.

Both the government and opposition are under public pressure as prices for food and services have risen rapidly since the end of controls Aug. 1, spurring a rash of strikes.

A system of indexing wages and pensions to 80 percent of inflation, agreed at the roundtable talks between the government and Solidarity, has been voted into law, but the larger checks have not yet reached workers.

In Gdansk on Friday, Solidarity union locals will hold a one-hour warning strike in nearly 500 factories and work places. Only the union's birthplace, the Lenin shipyard, will be exempted.

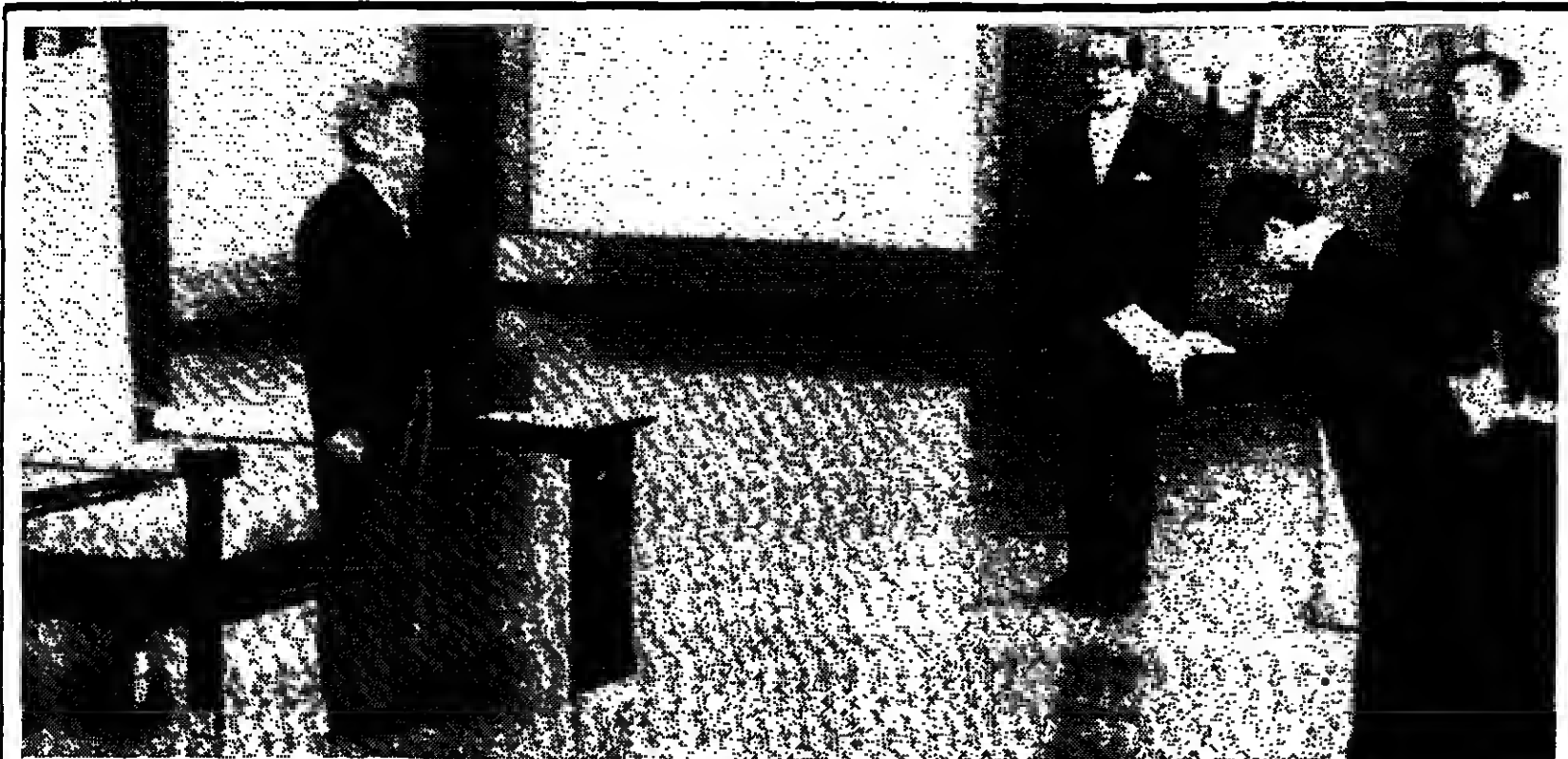
Bourguiba 'Complications'

TUNIS — The former Tunisian president, Habib Bourguiba, 86, who had a prostate operation three weeks ago, has remained in the hospital because of complications.

MICHEL SWISS

BEST TAX-FREE EXPORT PRICES
PERFUMES, COSMETICS
BAGS-SCARVES-TIES
NOVELTIES, GIFTS

16, rue de la Paix
75002 PARIS
2nd floor
(1) 42 61 81 11
PARIS



FORMALLY NOTING A CHANGE OF GOVERNMENT — The new Japanese prime minister, Toshiki Kaifu, bowing to Emperor Akihito on Thursday during swearing-in ceremonies for him and his 20-member cabinet at the Imperial Palace in Tokyo. Mr. Kaifu pledged to work to restore public confidence in the governing Liberal Democratic Party. "There are both political reforms and tax reform, and I plan to do both reliably," he said. To the emperor's left is Mr. Kaifu's predecessor, Sosuke Uno, who resigned after 68 days in office after the opposition Japan Socialist Party won the July 23 elections.

There are both political reforms and tax reform, and I plan to do both reliably," he said. To the emperor's left is Mr. Kaifu's predecessor, Sosuke Uno, who resigned after 68 days in office after the opposition Japan Socialist Party won the July 23 elections.

Japanese Factory Worker Admits Kidnap-Murder

By Patrick L. Smith and Kay Itoi

International Herald Tribune

TOKYO — The police announced Thursday that a 26-year-old factory worker, already under investigation for molesting two schoolchildren, had confessed to a kidnapping and murder two months ago that has baffled many Japanese and shaken the nation's faith in rapid economic and social modernization.

The abduction-killing was the latest of four in the last year, a singular wave of such crimes in Japan, where violence has captured national headlines.

Under questioning that began late Wednesday, Tsutomu Miyazaki, who worked at his father's printing plant in a Tokyo suburb, admitted to the abduction and murder of a 5-year-old girl in June.

He had been arrested two weeks earlier for enticing two grade-school sisters into removing their clothes by posing as a photographer.

All four kidnappings, the first of which occurred in August 1988, took place in suburban Saitama Prefecture.

Investigators were attempting Thursday to determine whether Mr. Miyazaki was involved in any of the other three.

The police corroborated the confession regarding the June kidnapping-murder by examining the victim's head at a site of Mr. Miyazaki's designation; other parts of the corpse were found in June.

A spokesman for the National Police Agency said investigators were hesitant to connect the case with three others too quickly.

In the Diet, Japan's parliament, Prime Minister Toshiki Kaifu, who took office Wednesday, said: "We don't yet know for sure what Mr. Miyazaki has done, but we expect him to reveal his activities gradually."

Japan has followed the four cases closely for months as details unfolded.

In February bone and teeth fragments were delivered to the home of one victim, simultaneously, Asahi Shimbun, a national newspaper, received an anonymous confession in which the criminal was identified as a woman.

National television ran continuous news reports on the breakthrough Thursday and another newspaper, Mainichi Shimbun, detailed the confession and continuing investigation in a one-sheet "extra."

In part, observers said, the extensive coverage reflected a more or less normal fascination with the grotesque. At the same time, rising crime of many varieties has become a source of increasing anxiety over the past few years.

On Wednesday, for instance, the police agency reported that last year, for the first time, minors were responsible for more than half the criminal cases recorded in Japan. More than three-quarters of the cases involving minors were thefts.

The phenomenon has underscored widening income gaps since Tokyo property and stock prices rose dramatically in the mid-1980s.

It has also reinforced an innate conservatism that has made Japanese examine the price of a modernization process that many did not welcome to begin with.

Political and social analysts say that Japan's extensive police and security bureaucracies have seized upon the violent-crime issue to reassert state authority at a time when many citizens are questioning it, albeit cautiously, for the first time.

Hiroshi Ishikawa, a professor of social psychology at Seijo University, said when one kidnapping case broke in February that Japan's changing crime situation was being "Americanized."

"Japan and America are the most similar countries in the world with regard to social environment and economic development — you can easily satisfy your own desires in each," Mr. Ishikawa said Thursday. "These crimes didn't happen in Japan several years ago, but they can be seen as the price of economic expansion at too rapid a pace."

Estonia Acts to Curb Striking Russian Workers

By Michael Dobbs

Washington Post Service

MOSCOW — Estonia hurriedly passed anti-strike legislation Thursday in an attempt to curb industrial unrest by Russian workers complaining about ethnic discrimination.

The Tass news agency reported that the president of the Baltic republic's Supreme Soviet had adopted a law suspending strikes as of Friday in factories and other enterprises. The decree will permit Estonian authorities to take legal action against strike organizers.

The move came as a strike by Russian workers, who make up the bulk of Estonia's industrial labor force, spread from the capital, Tallinn, to the port of Kohila-Järve. Thirty-three enterprises, including Tallinn's public transportation system, were affected by the unrest.

Leaders of the Russian minority in the republic called the strikes to protest a new law restricting the right to vote in local elections to residents of at least two years' standing.

Estonian activists maintain that the unrest is being artificially fanned by leaders of inter-

movement, a group opposed to greater independence for Estonia.

"This is more of a lockout than a strike," said Titi Kabin, one of the leaders of the Estonian Popular Front, a grass-roots movement that in the last year has emerged as a powerful political force in the republic. "In some enterprises, electricity has been switched off. Those who want to work are unable to do so."

Whatever the causes of the unrest, it is ironic that the republic that prides itself on being the Soviet Union's most progressive has become the first to adopt anti-strike legislation.

The Soviet parliament is still debating a proposed law that would have the effect of making it far more difficult to stage strikes.

Tass said that the Estonian government had been instructed to take measures "to ensure the uninterrupted functioning of the Estonian economy and services to the population." The decree takes effect as of its publication Friday in the republic's press.

Estonian journalists said that the decree empowered the government to take legal action against strike organizers. No details were

immediately available on penalties for striking in defiance of the legislation.

Yuri Rudyak, a leader of Intermovement, said the authorities had brought buses into Tallinn from other parts of the republic to maintain public transportation. "There are virtually no city buses on the streets," he said.

Relations between native Estonians, whose majority in the republic has been threatened by a wave of immigration, and Russian workers fear they could be the first to face dismissal if unprofitable factories are closed.

It remained unclear whether the Soviet parliament had the right to overrule the Estonian parliament's new residency requirement for participation in local elections. The two bodies are engaged in a trial of strength over whether Estonian statutes take precedence over Soviet laws in the republic.

Radicals Criticized

The Soviet historian Roy A. Medvedev has criticized leaders of a radical faction in the new Soviet parliament, saying that Boris N. Yeltsin, the political renegade, and Andrei D. Sakharov, the human rights activist, lacked caution, Reuters reported from Rome.

A U.S. Firm Signs Deal With China

United Press International

BELLEVUE, Washington — A developer based here has signed a \$17 million contract to build a large industrial complex in northeastern China, despite advisories for caution from both the government and the private sector.

The developer, Mohammed Malekpour, signed the contract Wednesday at a ceremony in the port city of Tianjin attended by the U.S. ambassador to China, James R. Lilley, and Chinese officials.

It was the first major U.S. private investment in China since the crushing of the pro-democracy movement in June. The crackdown brought international condemnation and continuing warnings from U.S. government agencies and private organizations that Americans should think twice about new investment in China.

A U.S. Central Intelligence Agency report issued this week said social and political unrest could be expected in China into the 1990s and predicted that the country's decade-old program of economic change would continue to slow.

Mr. Malekpour is president of MGM Inc., a company based in Bellevue, Washington. The company eventually plans to build a \$1.4 billion international trade complex on a site flat outside Tianjin.

Mr. Malekpour's brother, Ghulamreza, an MGM executive, said the initial contract was for a 70-year lease on two square miles (5.2 square kilometers) of land. He said another parcel of similar size had been set aside for the second stage of the project, which is on hold.

"We have been involved for more than two years in this project and have substantial investment before reaching this point," Ghulamreza Malekpour said.

The company's plans for the Tianjin complex include a 60-story twin-tower building, modeled after the Arc de Triomphe in Paris; a first-class hotel; an exhibition hall and trade center; and a \$300 million telecommunications network and satellite earth station to serve eastern China.

Another Student Arrested — The police in the southern Chinese city of Guangzhou said Thursday that they had arrested another student who had helped lead the pro-democracy protests. The Associated Press reported from Beijing.

In another development, the Communist Party expelled China's leading computer entrepreneur, Wang Kunmin, for having supported the protests. The company he founded and headed, the Stone Group Co., also dismissed him as board chairman and president, the official Xinhua news agency reported. Mr. Wang, 43, fled China after the June crackdown.

Two other dissidents, the scholars Yan Jiaqi and Bao Zimin, were expelled from the party Wednesday and dismissed from their research posts.

The arrest of Zheng Xuguang, 20, a student at the Beijing Space and Aeronautics University, brings to seven the number of student leaders from a list of 21 "most-wanted" suspects whose arrests have been confirmed.

Soviet Worry: Can Neutral Austria Join Europe?

Reuters

VIENNA — The Soviet Union said Thursday it was worried about Austria's application to join the European Community because it would violate Vienna's neutrality.

But Chancellor Franz Vranitzky of Austria said he did not see Moscow's concern as an obstacle to EC membership.

The Soviet Union's attitude to Austria's application was detailed in a memorandum handed to the chancellor by the Soviet ambassador, Gennadiy Schukin.

The memo, the contents of which were released by the chancellor's office, said Moscow understood the economic reasons but received the news with disquiet.

"Membership of a permanently neutral state would lead to the loss of real possibilities for the realization of its neutral policy," the memo said, adding that Austrian neutrality was a major factor in promoting European stability.

The Soviet Union was one of four signatories to the 1955 State Treaty that established Austria's

independence after World War II. Austria pledged permanent neutrality as a condition of the treaty.

A spokesman for Chancellor Vranitzky said the Soviet Union had made its position clear when the chancellor visited Moscow in October.

"Austria still thinks that neutrality and membership are not incompatible, otherwise we would not have applied for membership," the spokesman said.

Mr. Vranitzky said in a statement that the Soviet memorandum

Congressmen Tour a Soviet Labor Camp

Washington Post Service

MOSCOW — Congressional tours of the Soviet Union have a new stop: the gulag.

After becoming the first U.S. officials to visit a Soviet labor camp, two members of the congressional Helsinki Commission took issue with claims by President Mikhail S. Gorbachev that there are no political prisoners in the Soviet Union.

"We believe we saw political prisoners," said Christopher H. Smith of New Jersey, who with his colleague and fellow Republican, Frank R. Wolf of Virginia, was allowed to visit the Siberian prison known as Perm-35.

The decision to permit Westerners to tour Perm-35 seems to reflect Mr. Gorbachev's desire to show that the Kremlin has nothing to hide before a human rights conference scheduled for Moscow in 1991.

The congressmen appear to have come away impressed with glasnost, or openness, but convinced that the Soviet Union still has a long way to go in improving its human rights record.

They said Thursday that they had talked with 23 of the 38 prisoners remaining in the camp. They said that most described themselves as political prisoners.

Addressing the United Nations in November, Mr. Gorbachev insisted that "in places of confinement" in the Soviet Union, "there are no persons convicted for their political or religious beliefs." He appeared to be referring to prisoners convicted under penal code articles covering "anti-Soviet agitation" and "slander."

The U.S. officials refused to say how many of those they talked to could be described as "prisoners of conscience." But Mr. Wolf singled

out Leonid Lubman and Valeri Smirnov as "political cases."

Mr. Lubman, a 53-year-old electronics engineer, was sentenced to 13 years in a labor camp in 1978 after he smuggled out a manuscript that included the profiles of 30 allegedly corrupt officials. Mr. Smirnov, a 44-year-old computer specialist, was convicted of treason after returning to the Soviet Union voluntarily from the United States, where he had received political asylum.

The congressmen also interviewed Mikhail Kazachkov, 55, a physicist from Leningrad. Mr. Kazachkov, regarded as a political prisoner by Western human rights organizations, was convicted of treason after meeting with U.S. consular officials and asking for help in emigrating to the United States.

The congressmen said that many inmates complained about lack of adequate heat in winter, infrequent

visits by families and a ban on mail from abroad. Mr. Smith and Mr. Wolf were shown a punishment cell furnished only by a concrete bench.

According to lists compiled by the State Department, there are about 100 political prisoners scattered among Soviet facilities that include Perm-35.

Soviet authorities appeared to have taken some trouble in making Perm-35 presentable prior to the congressional visit. Walls had been recently painted, and the camp was adorned with freshly-potted flowers.

—MICHAEL DOBBS

Postal Worker Kills 3 In Spree in California

Reuters

ESCONDIDO, California — A postal employee armed with a semiautomatic handgun killed a woman at his house here on Thursday and then killed two colleagues and wounded a third at the post office where he worked.

The police said John Taylor, 52, ended the early morning rampage by shooting himself in the head. He was in critical condition at a local hospital. Mr. Taylor, a postal worker for 27 years, shot a woman believed to be his wife at his house in Escondido and then drove to the post office, the police said.

WORLD BRIEFS

Kaunda Scheduled to Meet de Klerk

LUSAKA (Reuters) — President Kenneth Kaunda of Zambia, chairman of the frontline states bordering South Africa, said Thursday he would meet Frederik W. de Klerk, expected to be the white-ruled republic's next president, Aug. 28 in Zambia.

After a one-day conference in Lusaka of leaders of the six frontline states, Mr. Kaunda said: "I have briefed my colleagues that I am meeting Mr. de Klerk in Livingstone the 28th of this month."

Mr. Kaunda had offered to meet Mr. de Klerk, head of South Africa's ruling National Party, to discuss ways of ending apartheid. Mr. de Klerk, expected to succeed outgoing President Pieter W. Botha after elections Sept. 6, has said he is committed to dismantling racial segregation in his country. Asked whether the frontline states — Zambia, Angola, Zimbabwe, Tanzania, Mozambique and Botswana — believed the time was now right to negotiate with Pretoria, Mr. Kaunda said the meeting had taken a decision on that issue. But he declined to reveal what that decision was.

Egyptian Court Frees Islamic Leader

CAIRO (NYT) — An Egyptian court freed one of the country's best-known Islamic fundamentalists and 23 of his followers Thursday pending further hearings into charges that he incited political violence.

Sheikh Omar Abdel-Rahman had been held in prison during slow-moving hearings following his arrest on April 7 in the town of Fayyum, where Islamic militants fought with the police. If convicted he could be sentenced to life imprisonment with hard labor.

Defense lawyers had argued that Sheikh Abdel-Rahman, 51, should be freed on health grounds because he suffers from diabetes and heart problems. He also is blind. The trial has highlighted the dilemma facing Egypt's secular authorities in combating a wave of fundamentalist religious sentiment. Among young men, in particular, Islamic fervor has inspired calls for the violent overthrow of the government and its replacement by an Islamic state.

Shuttle Crew Launches a Satellite

CAPE CANAVERAL, Florida (AP) — The astronauts aboard Columbia worked through the third day of the shuttle's secret mission Thursday, and the air force secretary confirmed that they had successfully put into orbit a satellite that sources say is designed to take highly-detailed photographs of potential military targets.

The United States now has a satellite in orbit as the result of a very successful launch, the air force secretary, Donald Rice, said at MacDill Air Force Base in Tampa, Florida. According to sources close to the project, the mission of the 10-ton satellite is to take photographs over a large area of the globe, including much of the Soviet Union, China and the Middle East.

Officials of the National Aeronautics and Space Administration broke the official silence surrounding the mission to say that Columbia would return to Earth between noon and 3 P.M. Sunday at Edwards Air Force Base in California.

Cuba Accuses Human Rights Leaders

MIAMI (NYT) — The Cuban government is taking steps to prosecute the country's most prominent human rights worker and two others on charges of spreading false information, according to an article Wednesday in Granma, the daily newspaper of the Communist Party of Cuba.

The article said the three faced sentences of up to four years in jail for carrying out "a slander campaign" aimed at discrediting the Cuban courts after the conviction of 14 army officers on drug smuggling charges and the execution of four of them.

The three — Elizardo Sanchez, Hiram Abi Cohen and Hubert Jerez — were arrested at their homes in Havana before dawn on Sunday. The charges appear to have grown out of interviews given to foreign journalists in Havana and statements made on American television and radio.

For the Record

Seven rockets fired by mujahideen guerrillas hit Kabul on Thursday, killing nine persons and injuring 16, all of them civilians, witnesses and government spokesmen said.

The police in Johannesburg broke up a rally by 500 trade union members outside a courthouse on Thursday, and officials said that at least 18 black protesters were injured and 20 were arrested.

More than 70 Turkish prisoners on a hunger strike have been taken to a hospital where they are refusing medical care, official sources said Thursday in Turkey. They said 39 were in the Aydin prison clinic and 33 in a hospital in the western city, the focus of a protest that has already claimed two lives.

Two U.S. Air Force cargo planes joined the search Thursday for Representative Mickey Leland, a Texas Democrat, and 13 other people missing since Monday on a flight to a refugee camp in Ethiopia. (AP)

TRAVEL UPDATE

French Airport Workers Set Strike

PARIS (Reuters) — French airport electricians voted Thursday to begin a five-day strike, raising the possibility of serious delays for travelers over one of France's busiest summer weekends.

A spokesman for one of the two trade unions representing the electricians said they had opted to strike after pay negotiations with the government collapsed. The electricians, who maintain computer and radar equipment for air traffic controllers, went on strike twice in July during peak vacation periods.

Strike Hits London Underground

LONDON (Reuters) — Strikers disrupted London's Underground on Thursday despite Wednesday's settlement of a long-running pay dispute between unions and management. To add to commuters' misery, the city's first rain in weeks brought flooding that closed five key central stations.

A London Underground spokesman said that most employees had reported for work but that a minority had defied their unions' orders. One underground line was at a standstill during the morning rush hour, another was operating a restricted service and the rest of the network was running at between 80 percent and 100 percent of capacity.

"We are saddened, disappointed and angry," said a company spokesman. "This action is totally irrational and irresponsible."

Lastweek's German Airlines inaugurated scheduled flights between West Germany and East Germany on Thursday with an 80-minute trip from Frankfurt to Leipzig.

Swissair is testing telephones on its planes for the use of frustrated passengers stuck on the tarmac by flight delays. Passengers on flights held up more than 30 minutes will be allowed to use them, the airline said.

Calls may not be made in flight because they might interfere with the aircraft's electronic instruments. (Reuters)

Tourism in Hungary jumped 43 percent in the first half of this year compared with the same period in 1988, with many of the 7.9 million foreign visitors coming from the West. (AP)

Travel agents in Kashmir canceled all tours to the remote mountainous territory of Ladakh on Thursday, citing violent clashes between Buddhist settlers and nonresident traders. (AP)

WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	25	17	20-30	Bangkok	32	24	10-15
Antwerp	25	17	20-30	Beijing	32	24	10-15
Athens	25	17	20-30	Bombay	32	24	10-15
Barcelona	25	17	20-30	Calcutta	32	24	10-15
Berlin	25	17	20-30	Chongqing	32	24	10-15
Bombay	25	17	20-30	Colombo	32	24	10-15
Buenos Aires	25	17	20-30	Dacca	32	24	10-15
Bombay	25	17	20-30	Delhi	32	24	10-15
Bombay	25	17	20-30	Guangzhou	32	24	10-15
Bombay	25	17	20-30	Hankow	32	24	10-15
Bombay	25	17	20-30	Harbin	32	24	10-15
Bombay	25	17	20-30	Hong Kong	32	24	10-15
Bombay	25	17	20-30	Kobe	32	24	10-15
Bombay	25	17	20-30	Manila	32	24	10-15
Bombay	25	17	20-30	Medan	32	24	10-15
Bombay	25	17	20-30	Osaka	32	24	10-15
Bombay	25	17	20-30	Seoul	32	24	10-15
Bombay	25	17	20-30	Singapore	32	24	10-15
Bombay	25	17	20-30	Taipei	32	24	10-15
				Tokyo	32	24	10-15
				AFRICA			
				Accra	32	24	10-15
				Cape Town	32	24	10-15
				Cairo	32	24	10-15
				Chengdu	32	24	10-15
				London	32	24	10-15
				Lima	32	24	10-15
				Los Angeles	32	24	10-15
				Manila	32	24	10-15
				Medan	32	24	10-15
				Seoul	32	24	10-15
				Tokyo	32	24	10-15
				LATIN AMERICA			
				Buenos Aires	32	24	10-15
				Caracas	32	24	10-15
				Medan	32	24	10-15
				Rio de Janeiro	32	24	10-15
				NORTH AMERICA			
				Albuquerque	32	24	10-15
				Atlanta	32	24	10-15
				Boston	32	24	10-15
				Calcutta	32	24	10-15
				Chengdu	32	24	10-15
				Delhi	32	24	10-15
				Detroit	32	24	10-15
				Hankow	32	24	10-15
				Harbin	32	24	10-15
				Los Angeles	32	24	10-15
				Manila	32	24	10-15
				Medan	32	24	10-15
				Seoul	32	24	10-15
				Tokyo	32	24	10-15
				MIDDLE EAST			
				Amman	32	24	10-15
				Bombay	32	24	10-15
				Calcutta	32	24	10-15
				Chengdu	32	24	10-15
				Delhi	32	24	10-15
				Detroit	32	24	10-15
				Hankow	32	24	10-15
				Harbin	32	24	10-15
				Los Angeles	32	24	10-15
				Manila	32	24	10-15
				Medan	32	24	10-15
				Seoul	32	24	10-15
				Tokyo	32	24	10-15
				OCEANIA			
				Auckland	32	24	10-15
				Bombay	32	24	10-15
				Calcutta	32	24	10-15
				Chengdu	32	24	10-15
				Delhi	32	24	10-15
				Detroit	32	24	10-15
				Hankow	32	24	10-15
				Harbin	32	24	10-15
				Los Angeles	32	24	10-15
				Manila	32	24	10-15
				Medan	32	24	10-15
				Seoul	32	24	10-15
				Tokyo	32	24	10-15
				WORLD			
				Amman	32	24	10-15
				Bombay	32	24	10-15
				Calcutta	32	24	10-15
				Chengdu	32	24	10-15
				Delhi	32	24	10-15
				Detroit	32	24	10-15
				Hankow	32	24	10-15
				Harbin	32	24	10-15
				Los Angeles	32	24	10-15
				Manila	32	24	10-15
				Medan	32	24	10-15
				Seoul	32	24	10-15
				Tokyo	32	24	10-15

cl-cloudy; f-foggy; h-hazy; h-hill; o-overcast; p-poorly; c-clear; w-wind; w-wind

FRIDAY'S FORECAST - CHANDEL: BANGKOK: FRANKFURT: Cloudy, Temp. 24-12
MIL: LONDON: San Francisco: Temp. 24-11; 21-17
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-14; 18-21
NEW YORK: Rio de Janeiro: Temp. 22-1

Canal Zone Tension Rises After Panama Holds U.S. Soldiers

By Robert Pear
New York Times Service

WASHINGTON — The war of nerves between the United States and Panama has stepped up as the Panamanian authorities arrested two American military policemen, apparently in retaliation for the arrest earlier of 29 Panamanians by U.S. forces in Panama.

In Washington, the Defense Department said the two soldiers were detained Wednesday, for no stated reason, by Panamanian troops at Fort Amador, a military installation jointly operated by the United States and local authorities in Panama. General Manuel Antonio Noriega, the Panamanian leader, has an office at the base.

After the arrest of the two Americans, U.S. forces at Fort Amador arrested two Panamanian military policemen on duty at the installation's front gate. All four were released within three hours after the confrontation began.

A Bush administration official said Americans had an obligation to stand up to General Noriega and the Panama Defense Forces. "We intend to enforce our rights under the Panama Canal treaties," the official said.

U.S. forces have tightened security and restricted access to Fort Amador. Civilians were allowed to come and go, but Panamanian military personnel could not enter.

In the earlier incident on Tuesday, U.S. Marines in Panama detained 29 Panamanians who were

said to have interfered with an American military exercise.

The Panamanians were released after an hour and 15 minutes. Among those detained was Major Manuel Siero, brother-in-law of General Noriega.

Colonel Ronald T. Scoryers, spokesman for the U.S. Southern Command, said the problems began when a vehicle in a Marine convoy was halted by Panamanian forces. The convoy was conducting a reconnaissance operation to check the condition of roads and confirm that it could move along certain routes.

The convoy turned into Empire Range, a U.S. Army installation in Panama, and it was followed by Panamanian military vehicles, which had no right to be there, Colonel Scoryers said. At that point the Americans detained nine Panamanian soldiers and 20 civilians, he said.

Exercise on Island
U.S. Marines and soldiers backed by jets and helicopters conducted an amphibious landing exercise Thursday on an island next to the one where General Noriega lives, United Press International reported.

Spokesmen at the Defense Department in Washington and the U.S. Southern Command in Panama said the military exercise was not in response to incidents between U.S. and Panamanian forces in the last two days.

8 States Get Tough On Auto Emissions

Washington Post Service

NEW YORK — In a move certain to put pressure on the administration and Congress, New York and seven other northeastern states have agreed to adopt automobile emission standards as stringent as those in California and far tougher than U.S. standards.

In an agreement Thursday, the governors of New Jersey, Massachusetts, Maine, Vermont, Connecticut, Rhode Island and New Hampshire joined with Governor Mario M. Cuomo of New York in announcing the tougher standards, effective in 1993.

The move could force automobile manufacturers to make one car for California and the northeastern states and another for the rest of the country, beginning with their 1993 models. For that reason, it is certain to boost efforts in Washington for a single standard.

Anne Crowley, a spokeswoman for Mr. Cuomo, noted that the governor called for the stricter pollution standards in his State of the State message last January. In Massachusetts, James Simon, an assistant secretary of environmental affairs, said the key concern was to forge a large enough alliance of states to get the attention of automakers in Detroit and abroad.

"Massachusetts has been thinking about such a move for years but realized that one state alone does not create a large enough market to force Detroit to respond. Therefore, it was very important to sign up as many states as possible," Mr. Simon said.

Under the Clean Air Act, states cannot preempt U.S. emission standards unless they adopt those in effect in California, which was granted an exception under the 1970 law.

The U.S. standard for hydrocarbons, for example, is 41 grams per mile. But the 1993 California standard, which the northeastern states plan to adopt, is substantially tougher, 25 grams per mile.

The additional pollution equipment will cost consumers \$100 to \$150 per car, according to the office of the New York environmental commissioner, Thomas C. Jodging.

U.S. and Kremlin Widen Rights Talks

By Don Oberdorfer
Washington Post Service

WASHINGTON — The United States and the Soviet Union are close to agreement on expanding their official human rights dialogue from political prisoners and emigration to such broad topics as the rule of law, the status of women and occupational safety, according to State Department officials.

A memorandum of understanding to give such discussions official blessing was proposed by Foreign Minister Eduard A. Shevardnadze in talks with Secretary of State James A. Baker 3d in Paris on July 28.

The U.S. side, which had informally suggested such a move in earlier discussions, is preparing to sign a U.S.-Soviet document on this subject during the next Baker-Shevardnadze meeting, scheduled for Sept. 19-20 in Wyoming.

The assistant secretary of state for human rights and humanitarian affairs, Richard Schifter, said the planned expansion of the dialogue was largely in response to Moscow's interest in U.S. political and social arrangements at a time when the Soviet system is being redesigned under President Mikhail S. Gorbachev's perestroika policies.

The deputy Soviet foreign minister, Anatoli Adamishin, who has

been the senior Soviet diplomatic specialist on human rights and humanitarian affairs, explored practical possibilities for broadening the dialogue during a trip to Washington and New York late last month, Mr. Schifter said.

Among other things, Mr. Adamishin spoke to senior officials of the Justice Department, the Department of Health and Human Services, the National Institute of Mental Health and the Occupational Health and Safety Administration about prospects for more extensive exchanges with Soviet counterparts in these fields.

Following recent coal mine strikes in the Soviet Union, in which mine safety was an important issue, the two governments are beginning to explore a Soviet relationship with the U.S. Mine Safety and Health Administration.

For many months informal U.S.-Soviet exchanges have been under way on issues involving the rule of law, including the role of an independent judiciary, protections against arbitrary arrest and imprisonment and relations between the U.S. federal government and state and local authorities, Mr. Schifter said. These would be given formal endorsement by the two governments and intensified if a memorandum expanding the human rights discussions were signed.

Mr. Schifter said various Soviet officials had shown interest in U.S. administrative law arrangements, as well as in U.S. conciliation and community relations efforts. The latter could be helpful to the Soviet leadership in seeking to ease conflicts among nationality groups in the Soviet Union.

In the field of more traditional human rights exchanges, the Soviet Union has recently established a governmental apparatus in Moscow to accept inquiries from the United States about Soviet citizens whose arrest or conviction has been questioned on political grounds, and to forward inquiries to the U.S. government about U.S. citizens whose cases Moscow wishes to question.

The Soviets had previously agreed to such exchanges but until now did not have a permanent unit of government prepared to deal with such information from abroad.

For Some in Class of '93, an \$85,000 U.S. College Degree

By Barbara Vobejda
Washington Post Service

WASHINGTON — College costs are rising as much as 9 percent this fall, outpacing inflation for the ninth straight year and putting the cost of a bachelor's degree at more than \$85,000 at the most expensive U.S. institutions, according to an annual College Board survey.

Average increases in tuition and fees ranged from 6 percent at public two-year colleges to 9 percent at private four-year colleges, while public four-year institutions raised their tuition and fees an average of 8 percent, the study said. Inflation ran 5.2 percent for the 12 months ending in June.

While the gap between college costs and inflation has moderated somewhat this year, the College Board figures are a reminder that paying for college can be a daunting expense, with annual charges at some elite institutions climbing close to \$22,000.

"I am increasingly concerned about the growing gap between the price of higher education and what students can afford," said Lasso F. Cavazos, the U.S. secretary of education. "Every leader in higher education must make holding costs down a priority."

Board officials emphasized that college costs vary widely and that enough financial aid is available to allow virtually all qualified students to go to college somewhere.

The most expensive institution in the country once again is Bennington College in Vermont, with tuition, fees, room and board priced at \$19,975 and other expenses estimated at \$1,800 for a total cost of \$21,775.

Others at the top of the list include Brandeis University in Massachusetts and Sarah Lawrence College in New York, both with tuition, room and board costing just under \$20,000. At Harvard University and Radcliffe College, tuition,

room and board are set at \$19,395 and other expenses are estimated at \$1,855, for a total of \$21,250.

The announcement coincides with a Justice Department investigation into whether as many as 20 prestigious institutions may have violated antitrust laws by colluding in setting tuition and financial aid packages. The investigation, coupled with the College Board figures, once again raises debate over whether institutions are pushing up prices unnecessarily and how long college costs can continue to rise.

"I don't think the elevator can keep going up forever," said William Massey, director of university budgets at Stanford University in California. "I think we're seeing signs of a backlash, both in terms of the general public and in terms of the political situation. People have to ask higher education some tough questions about productivity."

College Board officials, concerned that

families could be intimidated, emphasized that nearly half of all college students receive financial aid and that the total student aid budget, public and private, has reached a record high.

"Despite annual increases in college charges, students and parents should realize that a college education continues to be within reach of virtually every qualified student," Donald M. Stewart, the College Board president, said.

The average costs for a student at a four-year public institution will be \$1,635 for tuition and fees this year, while the figure for four-year private schools is \$7,348 and, at two-year public colleges, \$852.

Room and board for those living in dormitory housing will average \$2,962 at a four-year public school and \$3,430 at a four-year private institution.

College officials contend that cost increases reflect the demands of a labor-

intensive industry, where salaries, maintenance of facilities, new technology and increased financial aid budgets require spending at rates greater than those reflected by the consumer price index and other inflation measurements.

"We are still facing these awful pressures in our schools," said Richard F. Rosser, president of the National Association of Independent Colleges and Universities. "We could double tuition and still not do everything we needed to do."

"It's still a bargain," said David Merkwitz, spokesman for the American Council on Education, an umbrella organization representing colleges and universities. "There is an opportunity for people with very little means to go to college."

He cited increased financial aid available from institutions and relatively inexpensive tuition at many colleges. "And the payback is very high and increasing," he added.



Christina LoCasto and her husband, Louis, leaving a Redwood City, California, courtroom after she was sentenced to six months in jail for abandoning her baby in the lavatory of a jetliner.

Woman Is Jailed for Leaving Infant on Jet

Los Angeles Times Service

REDWOOD CITY, California — A woman who abandoned her newborn daughter under the lavatory sink of a jetliner bound from Newark, New Jersey, to San Francisco last year has been sentenced to six months in jail.

Christina LoCasto, 25, of New York City, broke into tears when the San Mateo County Superior Court judge turned down a plea from her attorney on Wednesday for a lesser punishment. The judge said that although Mrs. LoCasto had no criminal record, her actions were irresponsible and could have led to her child's death.

Mrs. LoCasto pleaded no contest on May 25 to one count of felony child endangerment. As part of a plea bargain, Mrs. LoCasto was given the jail

term plus three years of probation and fines of about \$700.

According to the prosecution, Mrs. LoCasto had become pregnant and kept the news secret. On July 13, 1988, the LoCasto family boarded a United Airlines flight at the Newark airport, heading for a vacation in California. Before the DC-10 took off, Mrs. LoCasto gave birth in the washroom, put the baby under a lavatory sink and returned to her seat.

Shortly after the plane landed in San Francisco, members of a cleaning crew discovered the infant. Mrs. LoCasto turned herself in the next day. The child is now in the custody of her paternal grandparents in Staten Island, New York.

Under Bush, a Hint of Dukakis Policies

New York Times Service

WASHINGTON — During the administration of Lyndon B. Johnson, at the height of the Vietnam War, Senator Mark O. Hatfield, a Republican, said: "They told me if I voted for Goldwater in 1964 that we'd have more war and higher prices. Well, I did, and we do."

Mr. Hatfield's point has regained currency in the seventh month of the Bush administration.

Although Governor Michael S. Dukakis is gone from the national political scene, there are times when the spirit of his presidential campaign stalks the corridors of Congress and even the White House.

Representative Les Aspin, Democrat of Wisconsin, who heads the House Armed Services Committee,

first focused on this political haunting after the House voted to eliminate the Midgetman missile and slash funds for the MX missile. The Stealth bomber and the development of a shield against nuclear missiles.

"We've got a Michael Dukakis defense budget," he said. "Mike won the election."

As a candidate, Mr. Dukakis had opposed the two missiles, expressed reservations about the bomber and wanted to cut sharply into the anti-missile program.

That Democrats in Congress would espouse some of the views of a vanquished Democratic candidate comes as little surprise. The melding of some of Mr. Dukakis's ideas with Bush administration policy is more striking.

"Bush tried to draw this stark contrast between liberal and conservative," said Norman Ornstein of the American Enterprise Institute. "But the only place where he could find the contrast was in pseudo-cultural issues like the Hedge and Willie Horton. Apart from taxes, the differences were not great on economic policy, American-Soviet relations, anti-communism and the role of government in society."

White House officials attribute the phenomenon to Mr. Bush's success at capturing customarily Democratic issues, like education and the environment.

Mr. Dukakis takes little comfort from watching some of his ideas transformed into policy.

"If you can't win, then what's the point of saying, 'They're doing

what I was recommending anyway,'" he told the syndicated columnist Jack W. Geismann and Jules Witcover recently. "That's not the point. The point is that you didn't win."

—ANDREW ROSENTHAL

Doubting Diplomat Is Shifted

By Steve Coll
Washington Post Service

ISLAMABAD, Pakistan — An American diplomat who until last month was the chief specialist in the U.S. Embassy on the war in Afghanistan has been transferred away from Afghanistan-related work, partly because he voiced doubts about the wisdom of U.S. policy, according to sources.

In classified cables to Washington, the diplomat, Edmund F. McWilliams, wrote that U.S. hopes for a quick rebel military victory over the Kabul government were unrealistic, that American policymakers were depending too much on Pakistani intelligence officers and that the United States was directing too much of its political support to the rebel Afghan interim government based in Pakistan, the sources said.

Mr. McWilliams's views were seen as challenging those of Ambassador Robert Oakley, the sources said, leading to a series of disagreements between the two. Mr. McWilliams, who speaks fluent Persian and had wide contacts among Afghan rebels, told colleagues that he was ordered earlier this summer no longer to meet with rebel leaders. Last month, he was transferred from Islamabad without being told what his next assignment would be, according to sources.

An embassy spokeswoman here said the diplomat's transfer was routine, but she declined to comment on reports of dissent within the U.S. mission.

Mr. McWilliams was reassigned to Washington in late July after serving for one year as special envoy to the Pakistan-based Afghan Muslim guerrillas, known as mujahidin, who receive military and financial support from the United States, Pakistan and Saudi Arabia.

Mr. McWilliams, described by friends and colleagues as an ardent supporter of the mujahidin, began earlier this year to raise doubts about several important aspects of U.S. policy toward the Afghan guerrillas, according to sources.

Sources close to the situation expressed the view that, if it were not for the policy dispute, Mr. McWilliams's tenure here would have been extended or he would have been placed in another position in the mainstream of U.S. policymaking on Afghanistan.

Angier Peavy, a spokeswoman for the U.S. Embassy here, said in a prepared statement that Mr. McWilliams's reassignment was routine, and that it followed the appointment earlier this year of a special ambassadorial-level U.S. envoy to the Afghan rebels, Peter Tomson.

"The new administration agreed with the Congress that following the Soviet withdrawal from Afghanistan and the establishment of the Afghan interim government, it made sense to upgrade the level of our representation to the Afghan resistance," Ms. Peavy said.

Ambassador Peter Tomson was nominated by the president and has now taken over the portfolio previously held by Mr. McWilliams.

In the statement, Ms. Peavy praised Mr. McWilliams as "an able and energetic officer who contributed valuably to embassy reporting on Afghanistan over the past year."

Asked to comment on the re-

ports of Mr. McWilliams's clashes with Mr. Oakley, Ms. Peavy said State Department policy precluded her or anyone else at the embassy from discussing "internal deliberations on policy matters."

Reached by telephone in Washington, Mr. McWilliams declined to comment further. Mr. Oakley was not available to discuss Mr. McWilliams's policy views or the circumstances of his transfer.

Disagreements between Mr. McWilliams and Mr. Oakley and other embassy officials reportedly deepened in the spring, following a failed attempt by rebel forces to capture by frontal assault the eastern Afghan city of Jalalabad.

The mujahidin failure at Jalalabad is still being felt within the ranks of the Afghan rebels and their supporters. The continuing military stalemate inside Afghanistan has touched off a growing debate about the effectiveness of U.S. policy and intelligence in Afghanistan.

The debate has exposed disagreements not only within the U.S. embassy, but between West Europeans and Americans, and between the United States and elements of the Pakistani government and among the rebel factions, according to Western diplomats. Afghan rebel leaders and Pakistani officials.

The clash within the U.S. Embassy between Mr. McWilliams and Mr. Oakley was symptomatic of those disagreements, sources said.

INTERNATIONAL Herald Tribune
Now Printed in Tokyo
For Same-Day Delivery to
Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F, Mainichi Newspaper,
1-1-1 Hibiya, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

REACHING THE EUROPEAN ELITE

Business leaders

Results from the 1988 Insead Survey* — a study of the reading habits of the graduates of Europe's foremost business school — show the International Herald Tribune to be the international publication most read by senior European executives.

*By Research Services, Ltd. (Average issue readership)



INTERNATIONAL Herald Tribune

PARIS: 181, Ave. Ch.-de-Gaulle, 92521 Neuilly Cedex.
Tel.: (33-1) 46 37 93 00/Tlx: 613999/Fax: (33-1) 46 37 93 70.
NEW YORK: 850 Third Ave., New York, NY 10022.
Tel.: (1-212) 752 3890/Tlx: 427175/Fax: (1-212) 755 8785.
LONDON: 63 Long Acre, London WC2E 9RL.
Tel.: (44-1) 836 4802/Tlx: 362009/Fax: (44-1) 240 2254.

FRANKFURT: Friedrichstrasse 15, 6000 Frankfurt/Main.
Tel.: (49-69) 72 67 55/Tlx: 416721/Fax: (49-69) 72 73 10.
HONG KONG: 7/F, Malaysia Bldg., 50 Gloucester Road.
Tel.: (852-5) 861 0616/Tlx: 61170/Fax: (852-5) 861 3073.
SINGAPORE: 138 Cecil St., Cecil Court 07-02, Singapore 0106.
Tel.: (65) 223 6478/9/Tlx: 28749/Fax: (65) 224 1566.

WORLDWIDE ENTERTAINMENT

★ MONTE-CARLO SPORTING CLUB ★

August-September 1989

Friday 4th August	GALA DE LA CROIX-ROUGE MONEGAQUE	From 21th to 24th August	"CINE MOVIES" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS
LIZA MINNELLI SAMMY DAVIS Jr.			
JERRY LEWIS		Friday 25th Saturday 26th and Sunday 27th August	DORI GHEZZI
THE SPORTING DOLLS			
MASSIMO RANIERI		From 28th to 31th August	"LATINOS" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS
THE SPORTING DOLLS			
BARRY WHITE & THE LOVE UNLIMITED ORCHESTRA		Friday 1st Saturday 2nd Sunday 3rd September	PAOLO CONTE
THE SPORTING DOLLS			
"LATINOS" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS		From 4th to 7th from 11th to 16th September	SPORTING ON ICE SHOW
		Friday 5th Saturday 6th Sunday 10th September	GILBERT BECAUD
GINO PAOLI			

with THE BIG BAND OF THE MONTE-CARLO SPORTING CLUB
CHARANGA HABANERA • CARIBBEAN STEEL BAND

Information - Reservation - 93.50.80.80

Leningrad Visit For Bonn Navy

Agence France-Presse

BONN — Two West German warships, the destroyer Rottmeier and the frigate Lower Saxony, will make a port call in Leningrad on Oct. 9, the first visit by the Federal Republic's navy to the Soviet Union, the Defense Ministry announced Thursday.

The ministry called the visit "a tangible sign of the development in the right direction of military and political relations between West Germany and the Soviet Union."

A reciprocal visit by the Soviet Navy to West Germany is expected next year.

Herald Tribune

Published With The New York Times and The Washington Post

Nicaragua: Next the Vote

The broad deal that Central Americans made last February — to bury the contras in return for the holding of fair elections in Nicaragua — is moving uncertainly forward. Over the weekend, the internal political opposition in Managua won from the Sandinista regime what one party leader described as "95 percent" of the opposition's demands for opening up the elections of next Feb. 25. In return, the government got the opposition's vital endorsement of its appeal to Central American presidents to approve a concrete plan for the contras' demobilization, relocation and repatriation. At their summit in Honduras this week, the five presidents did exactly that.

In some quarters the plan for demobilizing before the elections — rather than afterward as the Bush administration favored — is being billed as a defeat for the United States. But this plan is merely the inevitable and expected sequel to the decision Congress forced on President Reagan early last year to cut off military aid and park 10,000 rebels back in Honduras. Bowing to political necessity in a way that Mr. Reagan never did on this issue, President Bush made his own decision to seek a bipartisan agreement. For instance, months ago he gave Congress the opportunity to cut off humanitarian aid on Nov. 30. He gained, however, the humanitarian aid needed to keep the contras in being until that time.

Though many Latins (and Democrats)

find it hard to acknowledge, such pressure — even if it skips past the complete implausibility of the contras ever returning to battle under American aegis — can help democratization. The concessions on election terms announced last weekend in Managua so suggest. Protesting every step of the way, the Sandinistas showed themselves willing to pay, in promises anyway, to make sure the contras are removed entirely and as soon as possible from the scene.

Influenced by President Daniel Ortega Saavedra's concessions, his regional counterparts promptly accepted the Nicaraguan's plea for a quick start (in a month) and early deadline (Dec. 8) on internationally policed contra relocation. The U.S. government chose not to use the influence its aid bestows in Honduras and El Salvador to insist on a later deadline. Honduras acted as it did to make sure the contras do not remain a dangerous and unassimilable force. El Salvador to win regional support for shrinking its own insurgency.

If the extremely demanding plan for contra demobilization is actually carried out, the Sandinistas will be conducting the last 10 weeks of the election campaign free of the pressure generated by perpetuation of a leased, but live, contra force. From concentrating on the funding of the contras, Central Americans and others now need to turn their full attention to ensuring that the Nicaraguan elections work.

— THE WASHINGTON POST.

Keeping Art in Its Place

A judge in an Indianapolis courtroom has handed down a decision that could profoundly affect the movement of precious and ancient art objects around the globe. The case was a lawsuit against an Indiana art dealer who had bought, in an airport in Switzerland, some highly valuable Byzantine mosaics that turned out to have been stolen or looted from a Cypriot church and had found their way to Switzerland through questionable third parties.

The Republic of Cyprus and the Cypriot Greek Orthodox Church sued for the return of the mosaics, and last week U.S. District Judge James Nowland ruled in their favor. He found that even if the dealer, Peg Goldberg, did not know that the mosaics were stolen — as she claimed not to — she had taken grossly inadequate steps to find out. The circumstances, the judge wrote, "should have caused an honest and reasonably prudent purchaser . . . to doubt whether the seller had the capacity to convey property rights."

The dealer is out a lot of money — she paid \$1.1 million and was planning to sell the mosaics to a Malibu museum for \$20 million — but the implications for the art world are broader. The judge's decision will cause museums as well as dealers to be much more careful in checking the backgrounds of valuable objects they are offered. Dealers have had little incentive to do this until now, and museums have only recently begun doing it in a consistent and systematic way. That interest and this decision are responses to increasing concern about looting of antiquities and rising art prices that make such looting lucrative.

One result of Judge Nowland's ruling may be a rash of similar lawsuits from

countries claiming similar loss. But the problem of antiquities and their return to countries of origin is much broader and more problematic than one case or decision can settle. Much, perhaps most, of the antique art in Western museums was obtained in questionable ways from countries whose current governments would like it back.

The best-known example is the Greek government's long-standing demand that the British Museum return the Parthenon's Elgin Marbles; others involve objects carried off in war, in times when such looting was common practice, or by colonizing powers before the modern states that now claim ownership came into existence. In some cases, the artifacts taken were being misused and threatened with destruction. "Repatriation" of all such treasures might not be the ideal solution, even if it were possible.

But such ambiguous and long-past actions can be distinguished from the more troubling depredations of recent years, when improved technology has led to an upsurge in large-scale looting strictly for gain — breaking into archaeological digs, diving into wrecks, hacking apart ancient temples — and then selling the results on the hard-to-police international market, where players have a financial incentive to avert their gaze. Archaeologists point out that no matter how beautiful an art object may be to a museum or collector, tearing it out of an excavation or concealing its real source means destroying much of the information that enriches its meaning. The most immediate and salutary effect of the Indiana decision will be to discourage people in the legitimate art world from aiding and abetting these destructive practices.

— THE WASHINGTON POST.

The Health Cost Subsidy

More than 150,000 telephone workers in 15 states and the District of Columbia are striking the so-called Baby Bells — Nynex, Pacific Telesis and Bell Atlantic. The major dispute is over health coverage.

Premiums for medical insurance are rising by more than 15 percent each year and the companies are demanding that the workers absorb some of the expense.

Ordinarily, labor-management disputes over compensation are private affairs. But at the root of this conflict is U.S. tax policy that subsidizes lavish fringe benefits. The result is escalating medical costs and a drain on the Treasury. The strike amplifies the need for a sharp limit on the health benefit tax deduction.

The telephone workers, like most Americans, are covered by health insurance paid by their employers. The workers pay no tax on the medical premiums. By negotiating higher medical benefits rather than higher wages, workers in effect lower their taxes.

Under most health plans, workers are free to choose their own doctors and are reimbursed for most if not all of the expense. With little control over the choice of doctors, employers exert little control over fees. And workers have little incentive to limit their doctor visits. For both these reasons, health costs have been increasing.

Nationally, corporations have begun to feel the pinch of that inflation. They would reduce it by requiring workers to pay higher deductibles, co-insurance and premiums. The higher payments would shift some of the escalating costs to workers. They would also lower health costs overall by giving workers an incentive to avoid high-priced doctors and unnecessary medical procedures.

Employees are understandably upset at the idea. The telephone workers have said loud and clear that they will no more tolerate a cut in medical benefits than they would an outright cut in wages.

But a cut in future wages is inevitable if employers settle for increasingly expensive medical benefits. More money for health leaves less for wages (and profits). Even the telephone industry, which is regulated, cannot readily pass on increased costs to consumers. Thus its workers and employers share an interest in controlling health costs.

Beyond requiring more deductible, some companies are contemplating "managed care" plans. Under this system, workers can choose from among a panel of pre-selected doctors and be reimbursed for all expenses. But if the worker chooses his own doctor, he pays a sizable deductible and co-insurance fee. Managed care systems control costs better than free-choice plans because the company — or its insurer — can negotiate fees and treatment practices with the participating panel of doctors.

Managed care systems are a promising solution to the problem of runaway health costs. Yet, as the health expert Mark Pauly of the University of Pennsylvania observes, it is unlikely that workers will accept such plans. As the telephone strike demonstrates, workers are in no mood to go along with efforts by employers to cap medical benefits, limit choice or impose deductibles. Even if employers raise wages to compensate for these restrictions, workers would lose because the wage increases would be taxed.

The U.S. government, however, could alter the terms of this dispute by imposing some limits on the tax subsidy for health insurance. For example, it could tax health benefits that exceed a certain basic level or require that employers institute other effective cost controls. That would not threaten basic coverage, but it would give the worker a new incentive to worry about excessive costs. As long as Congress fails to legislate limits, the nation is likely to see more strikes over health coverage.

— THE NEW YORK TIMES.

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ARI, KATHERINE KNORR
and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor •
ROBERT J. DONAHUE, Editor of the Editorial Pages

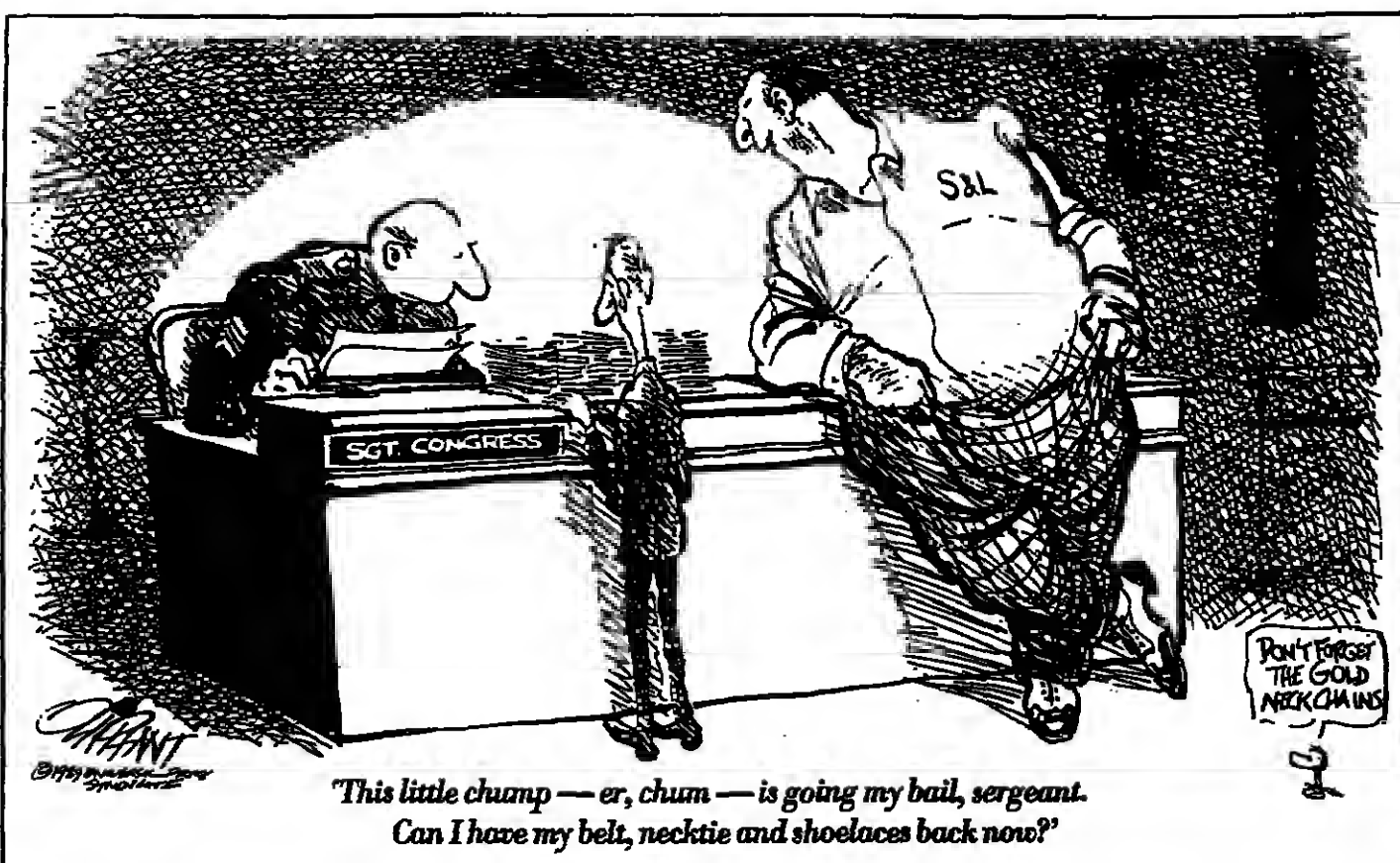
RENE BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers •
FRANÇOIS DESMAISON, Circulation Director • JUANITA L. CASPARI, Advertising Sales Director •
KOURT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00. Telex: Advertising, 612595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 50 Convent Road, Singapore 0511. Tel. 471-7768. Telex 855628
Ming. Dir. Asia: Ross Kinnear, 50 Convent Road, Hong Kong. Tel. 53610616. Telex 61770
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E. Tel. 836-4802. Telex 262000
Gen. Mgr. W. Germany: W. Landwehr, Friedrichstr. 15, 6000 Frankfurt 14. Tel. (069) 726753. Telex 416721
Pres. U.S.: Michael Corcoran, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3800. Telex 471715
S.A. au capital de 1,200,000 F. RCS Nanterre B 73201126. Commission Paritaire No. 61337
© 1989, International Herald Tribune. All rights reserved. ISSN: 0294-8032.

OPINION



In Africa, Japan and America Can Work Together

By John W. Sewell and Anne Dixon

WASHINGTON — Japan's recent announcement of a \$43 billion aid initiative opens the door to needed cooperation between the United States and Japan, particularly in promoting development in Africa.

The overall policy climate between the two economic superpowers is now fraught with discord. The singling out of Japan as an unfair trader among the nations of the Organization for Economic Cooperation and Development and a new bout of Japan-bashing in the private sector have in turn provoked criticism from many Japanese about U.S. trade policy.

These conflicts will not disappear soon. But they can be balanced by identifying policy areas where joint action makes sense to both nations. U.S.-Japanese development cooperation in Africa is one such initiative.

Africa is a zone free of policy clashes between the United States and Japan, a place where neither has a colonial past, successful collaboration could help set a pattern for working together to address global problems.

A series of interrelated issues — poverty, threats to the environment, uncontrolled population growth and the need for political reform — are becoming central on a new agenda for relations between industrial and

developing countries. Africa is at the heart of this agenda. No other area faces so severe a set of problems.

Unless African governments and outside aid agencies change their policies, Africa's prospects will remain bleak: poverty will worsen, environmental degradation will intensify. Japanese aid policies are moving to embrace this combined agenda: the recent proposal includes \$600 million in new grants for sub-Saharan Africa. In addition, \$2.25 billion is earmarked for global environmental measures, such as helping poor people find alternatives to cutting down trees for fuel or to clear land for farming — major causes of deforestation in the poorest parts of Africa.

A U.S.-Japanese initiative in support of African development plays to complementary strengths of the two: The Japanese can demonstrate their global commitment by "recycling" surplus funds as aid, and the deficit-strapped United States can use its stores of experience in implementing projects. The Agency for International Development has had field missions in Africa since 1960; the Japanese have yet to establish a cadre of trained development officials. Thus

the grounds for cooperation: The Japanese could provide additional financing while the United States contributes human capital, working along with Japanese aid personnel.

A cooperative effort would be timely. The consensus in Japan about foreign aid as a form of "burden-sharing" has weakened; calls for "power-sharing" have led to an emphasis on forming a coherent Japanese development approach. The United States, in turn, is undertaking a critical re-evaluation of its aid policy. Many observers are pushing for an approach more genuinely oriented toward sustainability and poverty-alleviation measures.

The two areas especially ripe for cooperation are agricultural development and environmental protection. U.S. and Japanese aid programs have increasingly emphasized these goals. AID has established itself as a leader in environmental development among bilateral economic assistance agencies. Through its environmental assessment program and policy discussions with governments, the agency has begun to help developing countries cope with the natural-resource problems of agricultural development.

The environmental costs of industrial development have become a major global political issue. George Bush, Margaret Thatcher, François Mitterrand and Mikhail Gorbachev are vying for leadership in combating global warming and ozone depletion. But the developing countries justly point out that the cleaner technology advocated by these leaders is expensive. Broad Japanese financial support of transfers of this type of capital could play an important role in African industrialization.

Cooperation in these areas would add a positive aspect to the U.S.-Japan relationship. Coupled with recent NATO arms-reduction initiatives, it would be an important demonstration of leadership for the Bush administration.

The opportunity for the United States and Japan to make a joint goodwill proposal for new forms of cooperation, seeking the considerable experience of the other OECD member nations, should not be missed.

Mr. Sewell is president of the Overseas Development Council, a Washington-based research institute. Ms. Dixon is a research assistant. They contributed this comment to the Los Angeles Times.

Reagan and Ike: Out of the Loop?

By Fred I. Greenstein

This is the first of two articles.

PRINCETON, New Jersey — He was enormously popular for his entire eight years in the White House. In contrast to Presidents Truman, Johnson, Nixon, Ford and Carter, he both entered and left office riding high in the polls. Yet when he stepped down, the verdict of the Washington-watchers was that he had been a passive participant in his own presidency, remaining largely disconnected from day-to-day politics and policy-making.

For those under 40, this can only have been Ronald Reagan. Others may recognize that it could also have been the only other chief executive to serve two full terms since Franklin Roosevelt: Dwight Eisenhower.

The description of "good old Ike" as out of the loop in his own presidency was unquestioned in 1961 when he left office. When Arthur Schlesinger Sr. asked a panel of distinguished historians to rank 31 presidents for greatness, they placed Mr. Eisenhower 21st, tied with Chester A. Arthur.

Today, students of the presidency acknowledge that in his own way Dwight Eisenhower was an activist president and a shrewd, informed leader. If his reputation can be reversed over time, what can we expect of Ronald Reagan? Will he, too, come to be viewed as a president who ran his own show?

It is most unlikely. To see why, we need to see the reasons for Ike's changed reputation and why what we already know about Mr. Reagan's is likely to stand.

The new assessment of Mr. Eisenhower's leadership began in the early 1980s as scholars digested a mass of hitherto classified documents from his White House.

The record now available shows that he seemed to reign rather than rule, for reasons stemming from the distinctive way he dealt with a dilemma that the founding fathers built into the presidency.

In most democracies, executive power is shared by two individuals who serve fundamentally different, even contradictory, functions: those of political leadership of the government and of head of state. But as sole national leader the American president is expected to both walk on water and trudge through the swamps of politics. If he emphasizes either side, the other suffers.

Mr. Eisenhower resolved the dilemma by playing up his status as head of state, while working hard, and quietly, at political leadership. Since he did not take credit for his private politicking, observers thought he was inept. What they failed to observe was that he did not take the blame for being a manipulator.

One of his rules for being a private "prime minister" and a public chief of state was hidden-hand leadership. When there were messy political jobs, such as dealing Senator Joe McCarthy's attacks on his administration, he farmed them out. He made a point of fusing up his statements in press conferences, even at the cost of sounding incoherent, and left it to subordinates to defend controversial policies.

Press secretary James Hagerly remembered: "Eisenhower would say, 'Do it this way.' I would say, 'If I go to that press conference and say what you want me to say, I would get hell.' With that, he would smile, get up and walk around the desk, pat me on the back and say, 'My boy, better you than me.'"

The writer is a professor of politics at Princeton University. He contributed this to The New York Times.

Surely He Knew More

Much that Ronald Reagan did behind the scenes remains a mystery. But we know that he sometimes operated with a hidden hand in pursuit of dubious policies he thought beneficial. The Iran arms deal was such an initiative.

A case could be made that the plundering that went on at the Department of Housing and Urban Development was the fruit of a policy initiative, rather than of excessive delegation. Mr. Reagan wanted to squeeze the department and slash its funding, which he did. This meant substantial reductions in housing for the poor, a painful result from which he had every reason to keep his distance.

When scholars examine the Reagan presidency a quarter of a century from now, they may want to revise their views of what has delicately been called Mr. Reagan's "management style."

Was he a no-hands president? Maybe, but not always. My guess is that the record will reveal that he knew more of what was going on, for better and for worse, than is generally recognized today.

— Lou Cannon, Washington Post.

The Passionate Conscience of Le Monde's Founder

By William Pfaff

PARIS — Hubert Beuve-Méry is dead. Few outside France, or outside the practice of journalism, are likely to recognize the name of the founder of a great newspaper, Le Monde. Yet his career richly illustrated the pain and contradictions of France's reawakening of its own political life and conscience after the Second World War, and the tension of

subsequently to speak gloomily of its "spirit of constant negativism."

Mr. Beuve-Méry's quarrel with America, which rapidly emerged in the proposition that France adopt a policy of "neutrality" in the emerging Cold War, was moral in origin. To him, the United States seemed a totally materialistic society, and the Atlantic alliance a form of blundering, but ultimately fatal, takeover by the United States of Western Europe.

He was one of a generation of Europeans for whom capitalism meant social injustice and the economic collapse of the 1930s. That was what the United States seemed to represent, a capitalism at least with an ethical impulse behind it.

He was one of a number of 1930s Roman Catholic intellectuals who sought a new definition of social justice in cooperation and corporatism. Thus, at the beginning of the Vichy period, he became director of studies for a school that drew on both the prewar traditionalist and monarchist Catholic right. The liberal Catholic "personnelists" with whom Mr. Beuve-Méry was connected meant to educate an elite of leaders for post-war France. The school was suppressed by the Vichy authorities in 1942, and the whole school went into the armed Resistance, the maquis.

Le Monde challenged the Atlanticism of French governments in the 1950s, the war in Indochina, and in what became a bitter controversy, it exposed and denounced the French Army's use of torture in Algeria.

On the latter question, Mr. Beuve-Méry himself remarked, "I was in the maquis and I know that a certain kind of struggle makes [atrocities] in-

evitable . . . That said, it is necessary to stop them from recurring, and to stop those who talk about them from being treated as traitors or fanatics."

Le Monde, however, was treated as traitorous by some officers.

It continues to remain, as it remains today, two decades after Mr. Beuve-Méry's retirement, a privileged role with respect to France's political elite. It is an essential factor, not in France's government, but in its governance — both close to power and power's perpetual critic, defending Mr. Beuve-Méry's editorial position: "Objectivity? It doesn't exist. What is necessary is to strive for a disinterested objectivity."

To understand the European current of thought represented by Hubert Beuve-Méry one must step out of the Anglo-American intellectual tradition into the one that formed him, and into the drastic economic circumstances that shaped both the Christian Democratic and Social Democratic parties that were to dominate West European politics after the war — and which dominate the new Europe today.

Today, as in the 1940s and 1950s, what lies behind many trans-Atlantic trade conflicts, and even the argument between the United States and the Europeans on a free market in television programs and films, is an argument about cultural and social values versus the wholly economic priorities of the marketplace. The argument is one Hubert Beuve-Méry would passionately have joined.

International Herald Tribune.
© Los Angeles Times Syndicate.

100, 75 AND 50 YEARS AGO

1889: Sandwich Isles Astir

HONOLULU — The Sandwich Islands have been enjoying a real revolt, resulting in actual bloodshed. The rebels want to compel King Kalakaua to abdicate in favor of his sister, the haole, and a new constitution and Cabinet will be demanded.

1914: The Germans' Side

NEW YORK — The New York Herald, in response to complaints from Germans and German sympathizers that the cable war reports do not give the German side, says that the Herald is publishing all the news obtainable with strict impartiality, and adds: "The spectacle of mighty Germany riding roughshod over little Belgium does not comport with the American idea of fairness and justice." The New York "Sun" says: "The German Emperor's phrase of proud humility about Germany's right to a place in the sun has been much sneered at, but it expresses an economic necessity." The New York

"Times": "Why should so many Germans cry out against Americans and their newspapers for denouncing the things they fled from — the Imperial system, the military system, the Government that in a Palace Council may summon the stoutest and the bravest to slay and be slain without consulting their will?"

The German newspapers have to print the same news as American newspapers print. There is no other news.

1939: Miracle for Peace

WASHINGTON — Count Jerzy Potocki, Polish Ambassador to the United States, says he fears peace needs a "miracle" to find a solution to the Danzig crisis. He declared that if there is still peace by September 1 there would probably be no war before spring. "This is the time for Hitler to act if he ever intends to, for by spring the coalition against him will be so strong that the initiative will have been taken over by Britain," he said.

Need With Art
Medical Needs

Contra Office
Ask U.S. Asy

Anxiety' Dre

OPINION

Faced With Artless Folly,
America Needs a Mencken

By Anthony Lewis

BOSTON — Mencken! Thou shouldst be living at this hour. (With apologies to W. Wordsworth.)

Through the 1920s and '30s, H.L. Mencken savaged the follies of American life. His special targets were the narrow minds, the intolerant certainties of what he called "the boobies." He revealed scornfully in the trial of John "Japs" for teaching evolution, describing the onlookers — who believed that God literally created the world in six days — as "gaping primates."

Mencken is out of fashion now. His style of verbal assault seems slightly embarrassing in today's journalism, which is so self-consciously (some would say self-importantly) concerned with "balance." Besides, we thought America had outgrown the primitivism that Mencken deplored.

This summer's congressional follies over the National Endowment for the Arts have shown how wrong we were: wrong in estimating the primitive strain in American society, wrong in regarding Mencken as an anachronism. America needs him more than ever.

The Endowment for the Arts got in trouble because it made two grants, totaling \$45,000, that offended members of Congress. One was for a show of photographs by the late Robert Mapplethorpe, a highly regarded photographer whose works included some explicit homosexual pictures. The other show, of works by Andres Serrano, included a plastic crucifix submerged in what he said was his urine.

The Senate reacted to those shows approximately as if they were the first shots in an attack on Fort Knox. Or rather, the Senate approved by voice vote Senator Jesse Helms's overreaction, in the form of restrictions in an appropriations bill.

The Helms amendment would forbid grants for the next five years to the two sponsoring arts organizations, in Philadelphia and in Winston-Salem, North

Carolina. It forbids aid to the "obscene or indecent," and to material that "detracts" anyone on the basis of belief, race, sex, age or national origin.

No serious theater could work under restrictions of that kind. As Shaw wrote so often, it is one of the high functions of drama to offend, to provoke, to challenge assumptions.

Or think about the visual arts. A great show of Goya's drawings and paintings began its tour this year at the Museum of Fine Arts in Boston. To see Goya's terrible, devastating portraits of war was to understand how provocative art can be — must be, if it is not going to be an academy of the familiar, the safe, the lifeless.

Mr. Helms and other critics of the Endowment for the Arts say the issue is whether public money should be spent on art that, like these two examples, would offend most of the American public. But that is not the issue. The issue is whether politicians are going to make artistic judgments.

Over the years the Endowment for the Arts has made thousands of grants. Now, because of outrage over two, its whole system of judgment by qualified panel would essentially be junked. No real artist or critic would serve under restrictions making Congress the judge of what is art.

The other issue is the right to make mistakes. Any institution that makes mistakes will get them wrong occasionally. Judges do. Even senators do. Americans prefer a process of natural correction to overthrowing the system. How would Jesse Helms fare if senators were punished for their mistakes — for their racism, say, or their support of killers and tyrants — by being deprived of a vote for five years?

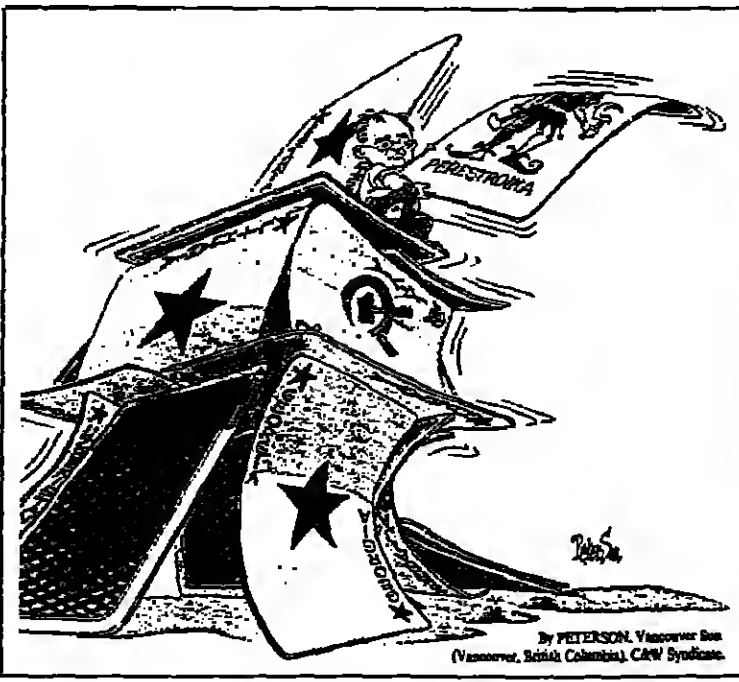
Punishment is of course Mr. Helms's purpose. He does not care what critics and commentators write about him; indeed, the more upset they are, the better he likes it. For he is leading the Philistines in a war against "the elites."

It has been especially distressing this summer to see some neoconservative critics join the attack on the Endowment. In their zeal to take on what they consider a misbegotten arts establishment, they encouraged politicians to destroy a system that has helped to broaden and enrich American culture.

Culture makes politicians nervous. But somehow the Germans, the French and others manage to understand that national greatness is a thing of the spirit, not just of weapons. What a people gain by supporting the arts, as nonpolitically as possible, is civilization.

As I wrote this column, news reached me that requires a stunned comment: news of the death of James M. Markham, Paris correspondent of The New York Times. Jim Markham was something more in journalism. He was more than a sensitive writer. He was a civilized human being.

The New York Times.



Sri Lanka, Past and Future

I strongly disagree with Robin Jeffrey's thesis that Sri Lanka is either heading for partition and the consequent emergence of separate Sinhalese and Tamil states or doomed to chaos ("Sri Lanka's Future: Like Cyprus or Like Lebanon?" *Opinion*, Aug. 1).

As an expatriate Sri Lankan, may I point out that foreign commentators often overlook the fact that Sinhalese and Tamils have managed to live together for more than 2,000 years despite their religious and linguistic differences.

The Tamils who inhabit the arid wastes of Sri Lanka will be the losers if the country disintegrates. A Tamil state is not economically feasible unless it is constantly supported by foreign financial grants. The only solution is the creation of a new federal constitution within the framework of a single nation in which both the Sinhalese and Tamil languages are granted equal status. English should also be retained as an official language because of its role as a unifying factor of diverse races.

Rajiv Gandhi had better pull out his army and learn not to meddle in the affairs of tiny neighboring states. Finally, the free world should quickly help Sri Lanka by checking the influx of foreign arms that help sustain the terrorist activities of both Sinhalese and Tamil extremists.

SUSUNAGA WEERAPERUMA,
Agde, France.

What Vladimir Said in '76

Regarding "Vladimir Must Be Worried Again" (*Opinion*, Aug. 3):

Jack O'Connell recounts how a Soviet scholar, Vladimir Zolotukhin, asked him in 1976 whether nostalgia in the United States for the 1950s meant a reversion to a hard-line anti-Soviet policy. This was

hardly a prescient forecast of the Reagan years, as the author suggests. Soviets guard with tongue-in-cheek questions. As an intern at the Institute of USA and Canada Studies last year, I was peppered with such questions. I found that the best thing to do was to give equally flippant answers.

Mr. O'Connell writes that history validated Mr. Zolotukhin's "theory." Nothing could be further from the truth. Detente was dead long before President Reagan entered the Oval Office, thanks to the Kremlin's irresponsible international behavior. The author refers to the U.S. boycott of the Moscow Olympics and the embargo on grain shipments to the Soviet Union without mentioning the Soviet invasion of Afghanistan. Nor are the Soviet arms buildup and military activity in Africa noted.

As the Soviets themselves have begun to recognize, they have nobody but themselves to blame for the death of detente in the late 1970s.

ANTHONY GARDNER,
New York.

Where a Flag Buff Stands

Regarding "Congress's Fervor Flags on Old Glory Amendment" (July 26):

I am a member of the board of the American Flag Institute, a student of flags in general and the American flag specifically. I spend a lot of time persuading people to display the flag properly. If the current controversy over the Supreme Court's decision upholding flag-burning ends up causing people to display the flag and increase their respect for it, then this unhappy decision will have served a positive purpose in addition to the one the court intended.

How many Americans display the flag, and know how to do so correctly?

By Day 12, Suitcase Fusion Had Set In

By Dave Barry

MIAMI — I didn't lose my luggage until Day 12 of the Book Promotion Tour From Hell. By then I was glad to get rid of it. I'd been dragging it to every North American city large enough to have roads, appearing on thousands of radio talk shows, all named "Speaking About Talking," for the purpose of pretending to be enthusiastic about my book, although after about the fifth day I usually just staggered into the studio, put my head down on the host's lap and went to sleep. Most hosts are accustomed to interviewing unconscious book-tour victims, so they'd just plunge ahead.

No matter how many days I'm on the road, I insist on taking only one small carry-on suitcase so as to prevent my luggage from falling into the hands of the Baggage People. So my garments and toiletry articles spend their days compressed into an extremely dense carry-on bag. Eventually my luggage undergoes a process known to physicists and frequent

fliers as "suitcase fusion," wherein the contents all unite into one pulsating hlob of laundry that, when I get to the hotel room, climbs angrily out of the suitcase by itself and crawls over to the TV to

MEANWHILE

watch in-room pornographic movies. This worries me, because the movie goes on my hotel bill, and I'm afraid that when I check out, the clerk will say, in a loud and peppy voice: "Mr. Barry, we certainly hope you enjoyed your stay here, especially your private in-room viewing of 'Return to Planet Nipple.'"

Actually, I don't have time to watch movies, because I have to forage for food. The split-second schedule of the Book Promotion Tour From Hell calls for me

to arrive at the hotel five minutes after room service closes, so I usually enjoy a hearty, nourishing meal from the "mini-bar," which is a little box provided to hotel guests by the American Cholesterol Growers Association, featuring foodlike items perfect for the busy traveler who figures he's going to the soon anyway, such as Honey-Roasted Pork Parts.

After dinner it's time to crawl into bed, turn out the lights and listen to the Subtle But Annoying Air-Conditioning Rattle, which is required by law as a safety precaution against the danger that a guest might carelessly fall asleep. The bellperson never tells you about this. The bellperson gives you a lengthy orientation speech full of information that you have known since childhood, such as that you operate the television set by turning it on, but be never say, "Incidentally, the only way to stop the annoying rattle is to join a pair of jockey shorts into that air register up there."

No part of the fun of hotel life is that you get to solve this puzzle for yourself, which I usually do at 1:30 A.M., just in time for the start of the Sudden Violent Outburst of Hallway Laughter Tournament, in which teams of hearing-impaired men gather just outside my door to see who can laugh loud enough to dislodge my shorts from the air register.

In less time than it took to form the Hawaiian Islands, the night has flown by and it's 5:42 A.M., time for the house-keeping person, secure in the knowledge that I cannot pack a gun in my carry-on luggage, to knock on my door, just above the sign that says "Do Not Disturb" in 127 languages, and inform me helpfully that she'll come back later. But I usually get up anyway, because the sooner I check out, the sooner I can appear on a radio talk show and get some sleep.

Sometimes I also go on television, which is how I lost my luggage. What happened was a TV crew was following me around, doing a story about a Typical Day on a book tour. They put a wireless microphone on me so they could record me making typical remarks, such as: "Is this recording me in the bathroom?" And: "I'm wearing a wireless microphone." I made this last typical remark to a concerned security person after I set off the alarm at the Minneapolis-St. Paul airport. So he started poking around under my shirt, and while this was going on, some other unfortunate air traveler mistakenly walked off with my suitcase. I hate to think what happened to this person. My guess is that at some point he foolishly opened my suitcase and a tasteless of my laundry came snaking out and dragged him back inside.

The airline people eventually gave me back my suitcase, but now I'm afraid to open it, because this person is probably still in there, being genetically combined with my Prill shampoo. So if you're missing a friend or loved one who was last seen in the Minneapolis-St. Paul airport, I've got him, and I'll be glad to return him when I come to your town, which will be any day now on the Book Tour From Hell.

Knights-Ridder Newspapers.

Lying With Dogs

MUCH though it bleats about the Helms amendment, the arts community has had things pretty much to its liking. This surely has contributed to the arrogance with which it greets any suggestion that the public should have a voice in how the public's money is spent; it's been shopping at the trough so long that it's not about to let anyone else tell it what it should eat. This arrogance is compounded by the naïveté with which the arts community enters the political arena. It seems genuinely to believe that its affairs are "above" politics — that it is unaccountable to anyone except itself. The hard truth is that anyone who deals with politicians does so on their terms: He that lies with the dogs sleeps with fleas.

—Jonathan Yardley, Washington Post.

GENERAL NEWS

9 Contra Officers
Seek U.S. Asylum

Compiled by Our Staff From Dispatches

MIAMI — Nine high-ranking Nicaraguan rebel leaders, including the military chief of staff, have applied for political asylum in the United States and three of them received quick approval, according to U.S. and rebel officials.

The rebel military officers asked for asylum at a U.S. Immigration and Naturalization Service office in Miami on Wednesday, two days after five Central American presidents agreed on a plan to demobilize the U.S.-backed rebels, known as contras, officials said.

The contra chief of staff, Israel Galeano, whose application was approved immediately, said the officers made the requests in order to get travel documents and would not abandon their troops.

He promised to continue the fight with "hundreds of human resources" and said he would return to Nicaragua if the rebels were forced to leave Honduras.

Some contra leaders had tried to dissuade the officers from applying for asylum, saying it would hurt the morale of the 12,000 rebel troops in Honduras base camps, a senior contra source said.

U.S. immigration officials acted swiftly in three of the cases and said the others also were being given special attention.

Several of the officers denied that there was any connection between their asylum requests and the demobilization plan, and they pledged to return to their troops.

The rebels were dealt a severe blow when the presidents of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, meeting in Tela, Honduras, agreed Monday to a plan for the disbanding, disarming and resettling by Dec. 8 of 10,000 of the 12,000 rightist guerrillas and their families camped in Honduras.

Contra leaders have rejected the plan and vowed not to surrender their weapons, at least until elections in Nicaragua set for Feb. 25. They have vowed to return armed to Nicaragua if they are forced out of Honduras.

A complete list of the nine commanders was not immediately made public. But in addition to Mr. Galeano, other officers known to have requested asylum include José Aguilar, Premio Altamirano and Luis Angel Lopez. (Reuters, AP)



Israel Galeano, right, the Nicaraguan rebel chief of staff, with other contra officers who requested asylum in Miami on Wednesday.

Amazon Is Kindled
For Enormous Fires

By Richard House

Washington Post Service

SAO JOSE DOS CAMPOS, Brazil — With Brazil's forest wardens on strike and its scientists locked in a bitter debate about how much of the Amazon forest has really been destroyed, Brazilian cattle ranchers are preparing to take advantage of the coming dry season by setting alight huge areas of the rain forest.

The satellite images produced here, 45 miles (about 70 kilometers) from São Paulo, by the government's National Space Research Institute showed that last year the burning of Amazonia produced an immense pall of smoke covering perhaps a million square miles, shrouding Bolivia and even stretching down toward Antarctica. On the technician's monitor, images from a U.S. satellite already show fresh pinpoints of light, each a wildfire forest fire.

Carbon emissions from the Amazon burnings are estimated to be half those of Japan's industry and intense urbanization, and thus to contribute significantly to global warming. Since June, teams of woodcutters have been felling underbrush and branches that by now are almost dry enough to set ablaze huge tree trunks.

By the month's end, most of Amazonia's airports will be closed by the choking, dense pall of smoke that obscures the sun for weeks. Car crashes among smoke-blinded drivers have started again, and at least one wildlife park has been torched.

In April, President José Sarney issued an angry challenge to his international critics, dismissing World Bank estimates of deforestation as exaggerated and promising to control this year's burning by deploying an army of forest wardens from the government's new environmental institute.

But after suffering budget allocation delays, the institute has been paralyzed by a monthlong strike by 80 percent of the wardens. Without cooperation from the armed forces, it is forced to charter commercial aircraft.

"We just can't get people into the areas where deforestation is taking place," said its president, Fernando Cesar Mesquita. But he added that this year's deforestation would follow a declining trend seen last year, when the 48,700 square miles (about 121,000 square kilometers) was significantly below the 78,744 square miles in 1987.

"I think this year the burned area will be much smaller and the situation is now under control," Mr. Mesquita said. The 1986 inflation-fighting economic plan produced a domestic boom and spiraling land prices that encouraged cash-rich farmers to carve out new cattle ranches, he said, but that money has been spent.

"The moment of truth came when the government stopped its incentives program. Until then, all occupation of Amazonia had been encouraged by the administration. From now on, anyone wishing to make an investment must use his own money," Mr. Mesquita said.

After a weekend crisscrossing the forest by Learjet to inaugurate this year's emergency program to stop the fires, he announced, "Amazonia is not burning."

Satellite analysis is the only reliable means of plotting deforestation over the area, larger than Europe, yet scientists from the space institute have quarreled over the exact amount since Mr. Sarney announced that just 5.12 percent of the Amazon forest had been cleared.

Separate teams analyzing data from different satellites and Landsat are coming to very different conclusions about the amount of forest that will be burned this year. The government is also eager to show that 1978 studies predicting almost half of the forest would be now be gone proved wrong, because clearance does not follow an exponential model.

Marcos Pereira, a space institute researcher who has been analyzing daily images for two years, said 1989's destruction would be almost unchanged, at 46,000 square miles. "We've been analyzing since June and though NOAA can't detect deforestation, the number of burning points indicates around the same intensity as last year," he said.

Roberto Pereira da Cunha, director of the space institute's remote sensing unit that analyzes more detailed Landsat images, said that this year little more than 8,000 square miles of forest had been cut.

Thomas Lovejoy, assistant secretary of the Smithsonian Institution, said this was a digression.

"There's a lot of dancing around the fact that no one can agree on the numbers," he said. "This gives an opportunity to scrap about this instead of getting on with the job of stopping the burning. What's going on is bad and it's happening much too fast."

'Anxiety' Dreams Linked to Post-Traumatic Stress

By Daniel Goleman

New York Times Service

NEW YORK — Dreams are taking on a new importance for researchers studying the emotional aftermath of trauma.

Researchers have discovered intriguing similarities in the dreams of people who suffer post-traumatic stress disorder, a condition in which a traumatic event is re-experienced in a variety of troubling ways long after its effects would normally fade.

People with the disorder typically have terrifying dreams in which they seem to be reliving part of the original trauma. They awaken in agitation, rage, fear or grief.

Researchers now say that post-traumatic stress disorder is a condition in which the traumatic event is re-experienced in a variety of troubling ways long after its effects would normally fade.

The researchers believe that the disturbed sleep these dreams cause may also lead to other symptoms like being "hyper-vigilant," starting easily, irritability and difficulty in concentrating.

They say that flashbacks may also be caused by the same part of the brain involved in such dreams. "Anxious dreams are a cardinal manifestation of post-traumatic stress disorder," said Richard Ross,

a psychiatrist at the University of Pennsylvania. "I've never met someone with post-traumatic stress disorder who did not have them."

Although disturbed sleep and upsetting dreams are also common in people with other emotional problems, repetitive anxiety dreams were distinctive to the emotional aftermath of trauma.

In the current issue of the journal *Sleep*, for instance, researchers at Dartmouth report that people prone to panic attacks sometimes have what amount to such attacks at night, experiencing them as intensely upsetting dreams. But they do not have the kinds of dreams found in those with post-traumatic stress disorder — typically, the dreams re-enact some aspect of the nightmarish experience that has brought about the disorder.

For instance, in a group of Vietnam veterans studied by Dr. Ross, one had repeated dreams of being trapped on a burning boat and being unable to save friends, an event that occurred and still haunts him.

Such dreams do not occur with nearly the same regularity, if at all, in any other psychiatric disturbance, according to an article by Dr. Ross in the June issue of the *Archives of General Psychiatry*. "It's nor-

mal for most of us to have an anxious dream from time to time," he wrote. "But those with post-traumatic stress disorder have them anywhere from once a week to every other night or so."

Dr. Ross believes the distinctive dreams may offer a clue to the physiological basis of post-traumatic stress disorder. He said scientists knew a great deal about the brain chemistry and brain structures involved in sleep, which he said "may lead us to a new treatment for the anxiety dream, one of the most bothersome symptoms of post-traumatic stress disorder."

That those who remain upset by a disturbing experience are more likely to have anxiety dreams was also found in a study of survivors of the Holocaust reported last month.

The study by Peretz Lavie, a psychologist at the Technion-Israel Institute of Technology in Haifa, was based on interviews with 23 men and women who had been in concentration camps or spent World War II hiding from the Nazis.

Those best-adjusted psychologically reported few dreams; studied in a sleep laboratory, they could recall dreaming only a third of the time when awakened at key points in the night. But the less well-adjusted could recall dreams 80 percent of the

times they were awakened, and their dreams had significantly more anxiety and aggression.

One possibility, in Dr. Ross's view, is that the anxiety dreams of those with post-traumatic stress may be repeated, unsuccessful attempts to reclaim a state of emotional balance that had been overwhelmed by the trauma.

Indirect support for this view comes from recent research by Rosalind Cartwright, a psychologist in Chicago. In a study of nearly 200 men and women going through separation and divorce, she found that anxiety dreams seemed to play a key role in helping to recover from emotional wounds.

"Those who became highly depressed had the most troubled dreams," Dr. Cartwright said. Yet they tended to be more at peace a year later than those who were upset but had mainly bland dreams, she found.

"The disturbed dreams seem to be attempts by a helpful internal mechanism to solve emotional problems. It's a kind of memory search of similar problems in the past, a sort of inner therapist that makes you look at the problem and work it through."

Risk to Teens
Of Skin Cancer
Is Found High

New York Times Service

NEW YORK — Severe teen-age sunburns are more than twice as likely to lead to skin cancer as those later in life, researchers say.

Previous studies found that children who had been seriously sunburned were at greater risk for a potentially fatal form of skin cancer than children who had not been burned. But the new study is the first to show that the dangers of intense sunburns in adolescence are greater than those of sunburns later in life.

"Sun exposure during childhood and adolescence is considerably more important than sun exposure after age 30," said Dr. Martin A. Weinstock, the director of the research.

The findings suggest that efforts to reduce the incidence of cancer should focus on encouraging the use of sunscreens by youths.

TRAVEL

- ☐ Backstage Edinburgh
- ☐ Air Taxi Services
- ☐ East African Coffee

Two Islands in Mediterranean Sun Pantelleria: Volcanic Landscape

by Alan Riding

WANDERING around the lunar landscape of Pantelleria one recent weekend, I found myself struggling to understand why this tiny speck on the map between Sicily and Tunisia should show a lot more character than you would normally expect from an island just 9 miles long and 5 miles wide (about 14 by 8 kilometers).

So I came up with a theory that is probably neither original nor enlightening, but at least has the grace of being simple: islands that live off fishing seem small and simple, while islands that depend on agriculture appear to be larger and more complex.

Since it was the sea that brought the foreign invaders who regularly disrupted their lives, the reasoning goes, Pantescans traditionally looked inward, building dozens of villages on the island's barren volcanic slopes and opting for farming over fishing as a means of survival.

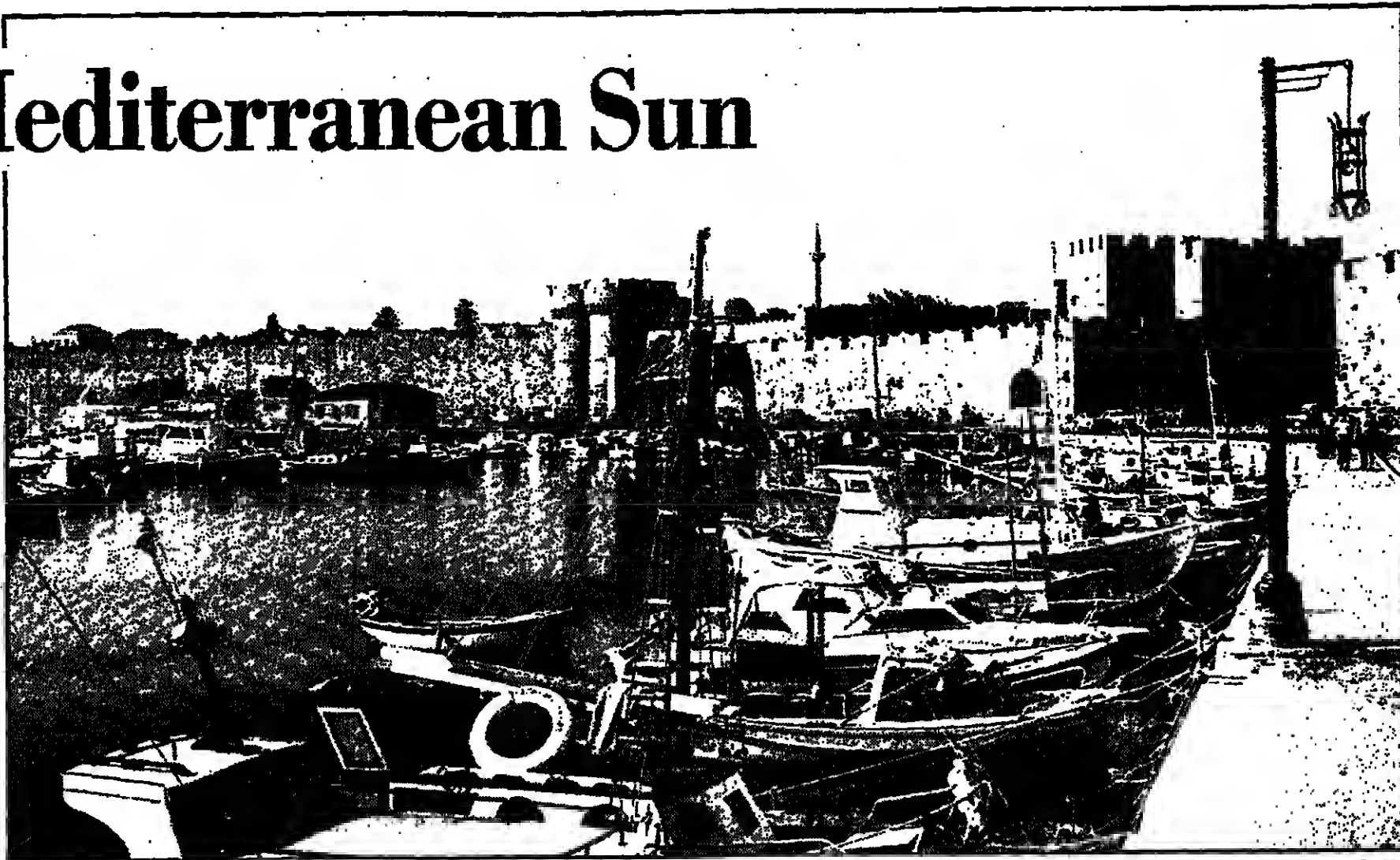
They also had one natural defense — a

rocky coastline — which has served them as well against tourists as it did against pirates. The result is an island that to this day relishes its isolation, is proud of its strong identity and offers a variety of experiences far greater than its modest size would suggest.

The first discovery for visitors, then, is that although set in some of the clearest water to be found in the Mediterranean today and with the sea constantly in view, Pantelleria is essentially an inland vacation spot. Paths through the lava lead to the sea, but nothing resembling a beach exists. Boat rides around the island offer dramatic views of caves and craggy inlets, but tourists, like Pantescans, soon learn to look inward.

This brings surprises. While the first settlers arrived here from North Africa as far back as 3000 B.C., Pantelleria feels as if it were formed only a week ago last Thursday. Created by volcanic eruptions 250,000 years ago, the gnarled shapes of black lava protrude everywhere through thin dusty soil. There were eruptions as recently as 1831 and

Continued on page 9



The harbor and fortified walls of the old section of Rhodes, the Crusader city that was restored by Mussolini.

Rhodes: The Crusader Legacy

by Robert D. Kaplan

IN the spring of 1945, the poet and novelist Lawrence Durrell arrived on Rhodes with a British occupation force. The war in Europe had just ended and the island's main harbor was still full of German mines. Durrell, "speechless with gratitude" upon taking his first swim in the blue Aegean, realized that "space, light and solitude will have to be rediscovered again here, in all their ramifications."

"Reflections on a Marine Venus" Durrell's account of "two lucky years" spent on

Rhodes, published in 1953, became the first book of postwar Mediterranean travel, and the opening note in a chorus of books, songs, movies and travel poster images from which the Greek tourist boom of the 1960s would emerge.

Due to its size, its lush Italianate beauty, and the magnificently reconstructed Crusader monuments, Rhodes rode the crest of that boom, epitomizing not only the best but also the worst aspects of tourist development. The northwest point of the 542-square-mile island is today one of those placeless places: an aesthetic disaster zone of luxury, concrete eyesores and marble lobbies that are verita-

ble museums of bad interior decorating; with Muzak and paperback shops where the works of Jackie Collins abound and those of Durrell or other literary admirers of Greece are nearly impossible to find.

But four decades have proved long enough to spoil only a part of the island, and only a part of Rhodes town at that. With a bit of cunning, Rhodes can still offer what it gave Durrell after the hardships of war — the tranquil, meditative rediscovery of self.

In Rhodes town, one should stay at any one of the small hotels or pensions on the quiet, drowsy lanes of the Crusader quarter, which, with its yellow stone archways and

barbicans, is like the Old City of Jerusalem — were Jerusalem set by a peacock blue sea and drowning in inexpensive plates of shrimp, squid, octopus, grilled swordfish and mussels, washed down by the best resinated wine in Greece (the local Rhodian *retsina*).

Rhodes town has a long and storied past. By the harbor, the 100-foot (30-meter) bronze statue of the sun god, Helios — the famed Colossus of Rhodes — was supposed to have stood in the 3d century B.C. For the tourist, however, there are only two histori-

Continued on page 9



Bathing in one of many hot springs in the rocks at Cala Gadi.

TRAVELER'S CHOICE

Bombay Restaurant Guide

■ Visitors to Bombay, where restaurant life outside the large hotels has been expanding in recent years, now have a guide to the city's varied cuisines, written by two cultural affairs officers of the U.S. consulate in that city. "Flavours: A Selective Guide to Eateries in Bombay," is sells for about \$3. It was compiled by Diana Carroll Prosser and Saroj Merani, with cartoons by Mario Miranda. It is published in Bombay by the Perennial Press.

Revolutionary Notes

■ The battle of Valmy on Sept. 20, 1792, in which the French repelled an invading army under the Duke of Brunswick seeking to restore Louis XVI, will be commemorated with a theatrical spectacle at the battlefield, in eastern France, from Sept. 16 to 20. . . . Bicentennial events in and around Paris on Aug. 26, commemorating adoption of the Declaration of the Rights of Man, include a concert by a 1,000-member chorus from 20 countries as the centerpiece of a pyrotechnical show at Cergy-Pontoise; the funambulist Philippe Petit will walk a wire across the Seine from the Right Bank to the second story of the Eiffel Tower, and the traditional parade route of the Champs Elysees will be trodden by "carnival" parade groups from 15 countries including Brazil, China, the Ivory Coast, and the United States.

Rail-Air Baggage Service

■ Lufthansa Airlines and the West German Bundesbahn have introduced a service that lets Lufthansa passengers check bags at railroad stations in nine cities before going by rail to Frankfurt or Düsseldorf airports. Passengers can check bags up to 5:30 P.M. the day before their flights leave. They must show both rail and air tickets; the charge is 15 DM (\$8) a bag, and bags will be delivered to the plane. Included are the main stations in Munich, Augsburg, Nuremberg, Würzburg, Koblenz, Bonn, Cologne, Düsseldorf and Frankfurt.

A Package for Stratford

■ The Royal Shakespeare Company in Stratford-upon-Avon offers a "Stop-Over" package covering theater tickets, overnight accommodations and dinner in the theater restaurant. Lunch and tickets for a matinee can also be included. Prices range from £38 to £100 (\$61 to \$160) depending on seat price and other variables. (Stop-Over, Royal Shakespeare Theater, Stratford-upon-Avon, Warwickshire CV37 6BB, England.)

New Terminal at Katmandu

■ Katmandu, the only gateway to Nepal by air, has opened a new international terminal at Tribhuvan Airport. The new terminal, designed in red marble with hand-carved woodwork, replaces the tiny building that served the airport for decades. The new terminal comes as a trade dispute with neighboring India goes into its fourth month, but there are no serious food shortages in hotels or shops.

Flower Power In Frankfurt

by Stephanie Griffith

FRANKFURT — Those who would assert that the British are Europe's most avid gardeners have probably not reckoned with the Germans. Gardening is more than a pastime here, it is a passion, and for good reason. In this densely populated land, the hobby lends the illusion of solitude, while providing its inhabitants relief from the concrete landscape of its cities.

Even popular culture in Germany contains its share of garden-related icons. Among the more quizzical is the garden dwarf, a foot-high, ruddy-cheeked statuette found on many lawns, which, like lederhosen and beer steins, has become an embodiment of things German.

Another figure, Daniel Gottlieb Moritz Schreber, is a veritable folk hero. A century ago, he prescribed strenuous labor in the family garden as a way toward sounder, healthier living. Ever since, the small family garden — often called the Schreber garden — has grown in popularity. There are now more than 13 million of them in this country of 60 million people.

So deeply ingrained is the family garden in the national consciousness, that it is elevated every other year to a national event in West Germany. Germans call it affectionately the "Buga," short for "Bundesgartenschau," or national garden show; and it is said by its organizers to be the largest garden show in Europe.

The Buga is held in odd-numbered years, each time in a different city. The city of Frankfurt is hosting this year's Buga, providing a concrete and steel backdrop that makes this 20th edition of the garden show seem all the greener.

Not that its greenery doesn't stand on

its own merits — 180,000 trees were planted for the April opening, and half a million flowers were cultivated. The site of the show is the 170-hectare (420-acre) Volksgarten Nidda, the newest and largest of Frankfurt's parks.

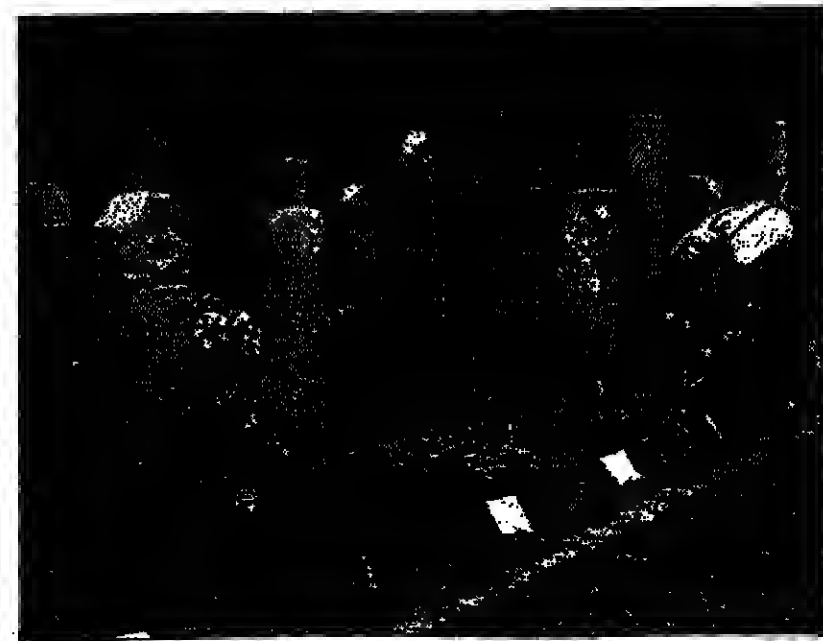
As with gardening itself in Germany, the Buga is meant to be a family event and, indeed, most visitors arrive with relatives in tow or as part of a tour group. On a crowded day, up to 25,000 visitors enter the garden grounds. And they can roam through 20 kilometers (12 miles) of paths.

The Buga is, in essence, a botanical amusement park. Events range from symphony concerts to country and western music singers to Greek folk dance troupes. There is a playground for children, a café for adults, a multi-media show, an observation tower with rotating lookout deck, and even a Buga train for visitors, slowly chugging its way along five kilometers of garden grounds.

Despite a heavy emphasis on entertainment, the show is still the hobby botanist's delight and is designed to instruct him on ways to improve his gardening techniques. How to best fertilize in a ecological way? How to preserve fruits and vegetables into the winter? What varieties of plants and flowers are best suited for terraces and balconies? How to care for city trees? The answers are to be found in the podium discussions, gardening clinics and exhibits of the Lehrschau Pavilion, one of the Buga's most popular exhibits.

The Buga offers creative ways to approach familiar terrain, with its theme gardens, house gardens and character gardens — the winning designs of a national landscaping competition. The message is that a garden need not consist

Continued on page 8



The garden show includes a section on decorating graves.

MUSÉE DE L'HORLOGERIE
ET DE L'ÉMAILLERIE
GENÈVE

THE LEGENDARY WATCHES OF PATEK PHILIPPE 1839 - 1989

The fabulous watches of Patek Philippe's private collection are on public display for the first time on the occasion of Patek Philippe's 150th Anniversary.

The Patek Philippe exhibition is at the Musée de l'Horlogerie et de l'Émaillerie from April 10 to September 30, 1989. The Musée de l'Horlogerie et de l'Émaillerie, at 15, route de Malagnou, is open every day from 10 am to noon and from 2 pm to 6 pm (except Monday morning).

A comprehensive, illustrated catalogue of the Patek Philippe Exhibition is available from the Musée de l'Horlogerie et de l'Émaillerie.

TRAVEL

THE FREQUENT TRAVELER

U.S. Airlines and the Business Market

by Roger Collis

AFTER a 40-year career selling business aircraft, James B. Taylor 3d has found a new vocation: trying to sell airlines the idea of operating air taxi services for the corporate traveler. These might comprise fleets of turboprops, jets and helicopters, available on what he calls a "random access" basis, on demand from any departure point to any destination. More and more business people, he says, are shunning scheduled airlines for the flexibility, comfort and convenience of private aviation. And the airlines are in danger of missing out on a lucrative market. Taylor, presumably, is ready to advise on how to prevent this happening.

Taylor, 67, a former U.S. Navy flier who retired as chairman and chief executive of Gates Learjet Corp in 1987, now runs his own aerospace consulting firm based in Westport, Connecticut.

"The airlines have a problem; not safety, security or service, though these are critical," he says. "It's marketing myopia. Scheduled carriers simply can't see that they are in the transportation business, not the airline business. The first airline to realize this will leave its competitors at the starting blocks. Remember what happened to the railroads."

"The market potential exists and is growing. Think of it this way: about 75 percent of all scheduled traffic in the U.S. is concentrated at 22 hub airports. Yet corporate jets and turboprops — and there are 12,000 of them, twice as many as in the carrier fleet — fly to more than 5,000 cities. That's 10 times the number served by scheduled airlines. It is true that the hub and spoke patterns have expanded the use of commuters. But even these are unable to meet the needs of business. Whereas corporate aircraft demonstrate their worth every day. For example, the round-trip from Rochester, Minnesota, to Wichita, Kansas, takes 1 1/2 hours including ground time. The same trip in a private jet is about three hours. Going overseas, because of the time involved in making connections and changing planes, a high-performance jet, like a Gulfstream, flying directly from Baton Rouge, Louisiana, to Belfast in Ireland can easily beat the Concorde."

After 10 years of deregulation, air travelers in the United States enjoy some of the cheapest fares in the world. They also suffer congested airports, poor service, lower standards of comfort and chronic delays. Scheduled airlines flew 476 million passengers in 1978 — double that of 1974. This is expected to double again in the next 10 years. So delays will get worse.

One result of allowing the airlines to fly where and when they like is that they are flying direct to

fewer places. Convenient nonstop flights are hard to find, unless you're traveling to one of the 22 hub airports. Many small communities have lost all scheduled air service. In the Southeast, for example, at least 12 towns, including Chattanooga, Montgomery and

'Scheduled carriers can't see that they are in the transportation business, not the airline business.'

Jacksonville, only have air service via Atlanta. Trips usually require a flight back to the hub before starting over on another spoke. Major scheduled carriers now serve about 243 airports. Commuters serve another 340. But their main role is to feed local traffic into the major hubs. Few offer point-to-point services between small towns.

Consider too that at some hubs half of the people milling around are simply connecting with other flights. At major hubs like Dallas-Fort Worth, this might be as much as two-thirds. One proposal for relieving congestion at hubs is the creation of more hubs, called "wayports," miles from anywhere, through which some passengers could be rerouted.

But this is unlikely to relieve the plight of the business traveler. Eight top carriers — the hub bars — control 94 percent of the passenger market. All but four hubs are monopolies — Chicago, Atlanta, Dallas-Fort Worth and Denver — with the incumbent airlines controlling 60 percent of flights. After years of bankruptcies and mergers, there are 163 regional and commuter airlines left out of 246 in 1981. And most of these only survive by playing host to their big brothers.

Control of the market means control of fares. The low fares that stimulated new traffic (mostly vacation travelers) are giving way to fare increases. Lots of people still enjoy discounts on most popular routes. But business travelers often cannot take advantage of them. So it comes as no surprise that full fares have increased 156 percent since 1978 — twice that of the Consumer Price Index — and that frequent fliers account for as much as two-thirds of airline revenues.

All of which makes corporate planes an attractive proposition. But how does Taylor hope to persuade airlines to enter this market

when they hold the business traveler captive? And why the airlines?

"Companies whose employees travel a lot have several options," Taylor says. "They can fly their own planes, lease aircraft or share time with other firms who jointly contract for transportation with a single charter operator. Or they might utilize air taxis, a service that in my view offers airlines the greatest near-term potential."

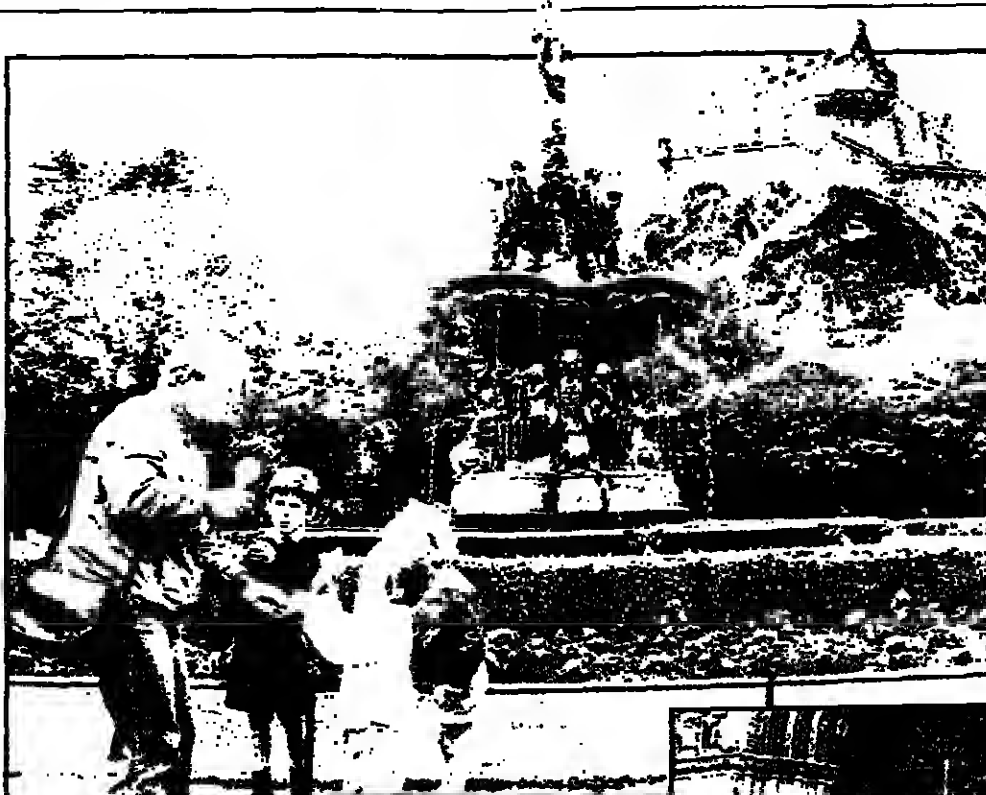
"In many cases, the flexibility and convenience of private air travel is worth almost any price. It's so longer a matter of how much companies pay for saving executive time — it's what they are willing to pay."

The average corporate jet carries four people and flies 349 hours a year. This means an operating cost of \$2.15 per passenger mile. That's 18 times the average airline cost of about 12 cents.

"On the other hand, an airline-controlled air taxi service flying the same jet 1,500 hours a year with six on board would yield 81 cents per revenue passenger mile — including a 30 percent profit. Not a bad return on investment," Taylor believes that the image of a major airline is crucial to getting his idea off the ground. "Many people will not lease or charter an aircraft unless they know who owns it, the level of air crew proficiency and how well it's been maintained," he says.

W HILE Taylor has been plugging away at airline CEOs, like Robert L. Crandall of American ("Bob gets mad at business aviation. He thinks we're competing with the airlines. Not so.") Enterprise Airlines, based in Cincinnati, has made a quiet debut over the last 12 months with a concept you might call Scheduled Access, which may prove more profitable than Taylor's Random Access. Enterprise offers point-to-point service on routes like Cincinnati-Milwaukee and Cincinnati-Cincinnati with 10-seat Cessna Citation IIs. You fly in leather-cushioned seats for what president Pat Sowers calls the prevailing fares in the market. Flights mostly take less than an hour, compared with three to four hours if you were to use the hub and spoke networks.

But what makes Enterprise unusual is that its schedules are designed to meet the travel requirements of corporations in the area. It may prove to major airlines that it's time to broaden their horizons and fly people to where they want to go, not to where the airlines think they should go. Says Taylor, "It's a market up for grabs."



Edinburgh Castle looms over Princes Street; detail of a fountain, and street theater outside St. Giles.

Festival Time In Edinburgh

by Craig R. Whitney

EDINBURGH — Edinburgh's castle high on the rock has looked down on many a triumph and tragedy in the proud Scots capital, but every year since 1947, it steals the spotlight from London during the three weeks of the festival.

This summer, Edinburgh Festival runs from Aug. 12 to Sept. 3. If luck holds, so will the most glorious spell of Scottish summer sunshine in years. That weather has enabled many of the city's 450,000 residents to acquire their tans at home for a change instead of having to migrate to Spain. In any event, Spain is coming to Edinburgh as this year's main festival theme.

The annual event has always emphasized the city's stature and history as one of Europe's cultural capitals. Narrow, cobblestoned streets rise and twist up to the medi-

If haggis, cullen skink and finnan haddie aren't your cup of tea, try an ample Scottish breakfast.

eval spires and gables perched on top of the volcanic ridge that forms the backbone of the oldest part of the city, looming over the Georgian streets and the gardens of the New Town. On clear days, there is a panoramic view from the castle of the Firth of Forth and the Highlands far to the north and west. Even in August, daylight lingers long into the evening, and the gloom of the equally long winter nights is forgotten even if the Haar, a cold fog from the North Sea, makes a rare summer appearance.

The most controversial part of the festival this year is likely to be a West German ballet, Johann Kresnik's "Macbeth," performed by the Bremer Theater from Bremen Aug. 15 to 17. This production is described in the festival literature as "blood-boltered and violent, full of sadomasochistic images" and inspired not only by Shakespeare but also by the more recent mysterious death of a West German politician in Schleswig-Holstein.

Lothian Region Transport runs open-air double-decker bus tours of the city every 15 minutes from Waverley Bridge for £3 (about \$4.80). Another good way to get acquainted is to go to the Palace of Holyroodhouse, the Edinburgh residence of Queen Elizabeth II, who thoughtfully does not come during festival time and allows the public rooms of her home to be visited. Wait for the guide to take you through the palace; it's worth listening to him just to hear how he pronounces the words "throne room." On the third floor, up

a winding staircase, is the bedchamber of Mary Queen of Scots, and the chamber from which she was forced to watch the murder of her secretary David Rizzio in 1566, and where her son, James VI, was born.

Coming out of the palace, visitors can look at the ruins of the abbey and then go up the hill from the front gate, the beginning of The Royal Mile, which changes names four times before ending (after a mile) at the castle at the top of the hill. Canongate, the first section, goes past a 17th-century tenement, Gladstone's Land, and the Tolbooth, with a 16th-century steeple. Farther up, on High Street, the Gothic St. Giles's Cathedral, now the Presbyterian High Kirk of Edinburgh, rears its stone crown spire, built in 1495, with eight arches forming a royal diadem. On the other side of High Street, numerous narrow passages off the main street, known as closes or wynds, offer glimpses of the city increasingly far below.

Finally, Castle Hill passes through an esplanade and across a drawbridge to the castle itself. Highlights are Mons Meg, a 500-year-old siege cannon and the Honors of Scotland, the Scottish royal jewels sealed away and forgotten in the castle after the union of the Scottish and English parliaments in 1707 and rediscovered in 1818 when Sir Walter Scott insisted on looking for them.

The descent into the city is to the left by way of The Mount, which crosses Princes Street Gardens past two Greek temples, one of which is the National Gallery of Scotland (556-8921). Its Italian Renaissance and Spanish collections are worth a visit in themselves, and there is a definitive assemblage of Scottish painting as well.

Crossing Princes Street, the main shopping location, to George Street brings to view one of the finest Georgian vistas in Britain, the work of the Scottish architect James Craig, who designed this as the New Town, built from 1767 to 1830, with a magnificent green city square, Charlotte Square and St. Andrew Square, at either end.

The big hotel restaurants serve Scottish fare, but if haggis, cullen skink and finnan haddie aren't your cup of tea, try the ample Scottish breakfast instead (about £7.50).

Scottish beef, salmon, game and cheese are among the finest in Europe, and a good place to sample them is Martins (70 Rose Street North Lane; 225-3106), a small place in an alley off of Rose Street Precinct between Frederick and Castle Streets. Reservations are essential. Inside, Martin Irons of fine such dishes as poached mullet in crayfish sauce or scallop of wild salmon with rosemary butter. A five-course dinner for two with drinks and wine is about £60. During the festival, the restaurant will take reservations for a simpler menu of cold poached salmon and salad, cheese and coffee for about £15 a person.

Handels's (22 Stafford Street; 255-5521) serves such dishes as fillet of John Dory with asparagus and oyster butter sauce, or breast of wood pigeon with truffles, wild mushrooms and juniper sauce. Dinner for two with wine also comes to about £60. Those looking for simpler family fare, plus something to amuse the children, might try Fat Sam's (in the Old Meat Market on Fountainbridge and Sample Streets; 228-3111), which has puppets that descend from the ceiling, and where a sirloin steak costs £10 and individual pizzas go for £3 to £4. For a snack, Brambles, on the Royal Mile (160 Canon-gate, opposite the Tolbooth), offers home-made soup with a roll and butter for £.75 and a pot of coffee for £.50.

THE City of Edinburgh's tourist office (557-1700), just outside Waverley Station, has a central accommodations bureau that boasts it has never yet had to turn anyone away. Last-minute visitors probably won't get a room in a luxury hotel, but may find a decent room in a bed and breakfast, or a bed in the home of an Edinburgher registered with the service. The office is open 8:30 A.M. to 9 P.M.; 11 A.M. to 9 P.M. Sunday.

One of the most venerable hostels is the Caledonian (225-2433), a stately sandstone pile on Princes Street at Lothian Road, which has just completed a renovation but still has Edwardian charm and cavernous rooms with huge bedrooms at £125 a night for a double room. At the Edinburgh Sheraton (1 Festival Square; 229-9131), double rooms start at £100. The Carlton Highland (North Bridge; 556-7277) charges £105 for a double. Double rooms start at £90 at the Crest (Queensferry Road; 332-2442) and at the King James (107 Leith Street; 556-0111).

The Mount Royal (53 Princes Street; 225-7161) charges £75 for a double room. At the Rutland Hotel (3 Rutland Street; 229-3402), a double room is £45, including breakfast. The Ritz (14-18 Grosvenor Street; 357-4315) charges £57 for a double with breakfast.

Scottish House and Barbican's are opposite Waverley Station on Princes Street, just around the corner from Jenner's, one of the last remaining original Edinburgh family department stores.

On the Royal Mile, there are a couple of baggage makers, and at The Piper's Cave (229 Canongate) you can order a set of pipes from £300 up. James Pringle's Woollen Mill (70-74 Bangor Road) offers sweaters and tartans in a warehouse outlet, and for £2 will also provide a computer printout on the origin of any Scottish family name, and sell you its tartan. The Scots Ancestry Research Service, (3 Albany Street; 556-4220) is open for more detailed investigations weekdays 10 A.M. to noon and 2 to 4 P.M.

© 1989 The New York Times

"You can save up to 50% when you subscribe to the International Herald Tribune."

Call toll-free today and just tell the operator:

"Yes, please send me a 12-month subscription plus 52 FREE issues to the IHT. — 14 months in all."

— OR IF YOU PREFER A SHORTER SUBSCRIPTION TERM —

"Yes, please send me a 6-month subscription plus 26 FREE issues to the IHT. — 7 months in all."

You may pay by credit card or we will invoice you or your company. If a toll-free number is not available in your country of residence or if you prefer to order by mail, just complete and mail the coupon below.

(Offer valid until December 31, 1989 for new subscribers only.)

Country/Currency	TOLL-FREE TELEPHONE NUMBER	12 months (+52 free issues)	ONE-YEAR SAVINGS	6 months (+26 free issues)
Austria** A. Sch.	0660 396	4,400	3,608	2,500
Belgium** B.R.	(02) 218 45 43*	11,000	7,200	6,000
Denmark** D.Kr.	0430 00 80	2,700	1,304	1,500
Finland** F.M.	(09) 60 30 30*	1,700	1,324	970
France F.F.	05 436 436	1,500	1,220	830
Germany** G.M.	0130 25 31	580	403	320
Gr. Britain £	—	140	94.60	77
Greece** Dr.	691 02 42**	29,000	25,600	16,000
Ireland £Ir.	—	155	118	85
Italy Lire	—	420,000	308,000	231,000
Luxembourg L.Fr.	49 49 60	11,000	7,200	6,000
Netherlands** Fl.	06-022 08 15	600	492	340
Norway** N.Kr.	(02) 41 34 89*	2,000	1,276	1,100
Portugal** Esc.	(01) 80 71 22*	29,000	29,400	16,000
Spain** Ptas.	(91) 401 29 00*	32,000	22,600	17,600
Sweden** S.Kr.	(08) 21 01 90*	2,000	1,276	1,100
Switzerland S.Fr.	046 06 68 00	455	455	235
Rest of Europe, N. Afr., X-French Africa, Mid. East \$	—	470	Varies by country	260
Rest of Afr., Gulf St. Asia \$	—	620	—	340
Central/Latin America \$	—	540	—	295

* In the following countries, you will pay only the cost of a local call as a connecting charge: Belgium, Finland, Norway, Portugal, Spain and Sweden. For all other listed toll-free numbers, the cost is absolutely free.
** Please ask your operator for details about hand delivery in these countries.
*** Call this local number in Athens. (Not toll-free.)

INTERNATIONAL HERALD TRIBUNE
To: Subscription Manager, International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.
Tel: (1) 46 37 93 61; telex: 612834; fax: 46 37 93 70.

Please send me

☐ a 12-month subscription + 52 FREE issues to the IHT — (14 months in all)
☐ a 6-month subscription + 26 FREE issues to the IHT — (7 months in all)

☐ My check is enclosed.

☐ Please charge my credit card.

☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

Card account number

Card expiry date

Name

Address

City/Code

Country

Signature

Address

City/Code

Country

Tel./Telex/Fax

11-8-89

'Buga'

Continued from page 7

of neatly trimmed lawns and rosebush hedges, although one can not always be impressed with the sometimes fantastical alternatives offered.

The Schau der Garten is a focal point of the biennial garden show. The 8,000-square-meter tent houses a vast array of plants and flowers, with a new theme explored each week. In late July, the focal point was decorating with houseplants; in August, flowers from the far east, summer fruits and flowers and beehive as ornamental garden plants.

Since the Buga is a celebration of the family garden, it seems appropriate that this year a special exhibition has been dedicated to the development of Schreber gardens over time.

The Buga is most accessible by the Frankfurt public transportation system. A special ticket bought at vending machine stations for 12 Deutsche marks includes the price of admission, and can be used all day to ride the buses, subways and streetcars in the Frankfurt area. Drivers can park in Buga parking lots at the Rehstockgelande free of charge with their admission ticket, and are then brought to the garden grounds via shuttle bus. Guided tours of the Buga grounds can be arranged in French, English or Italian.

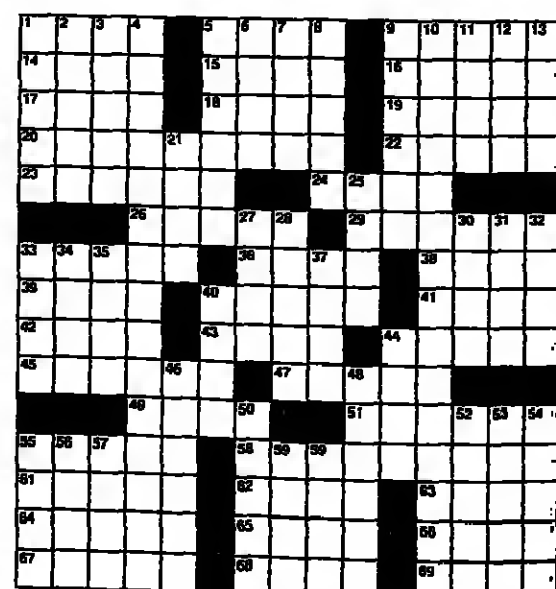
Stephanie Griffith is a writer living in the Frankfurt area.

ACROSS

- Jimmy, e.g.
- Dutch treat
- Actress in "The Maltese Falcon"
- Infidel Tommy
- di Renzi, Roman orator
- Kerman dweller
- Busy as
- Baltic leader
- Covered with
- Meel by chance
- Billiard stroke
- Things to pull up
- Preliminary race
- What an onerous
- Interprets
- Echo, a.g.
- Western resort
- Singer Vikki
- Nap
- Lined up
- Victim of a scorpion's sting
- Javanese tree
- Bedaze
- Make over
- Orange
- Acapulco souvenir
- Creek, district in Belize
- Tuna
- Cio-Cio-San, e.g.
- Film family
- Like 10 Down
- Throw out
- Lampblack
- Snug as a bug in a rug
- Zola's "La —"
- Lord High Everything ("The Mikado")
- An attendant on Cleopatra

Solution to Previous Puzzle

ARAB CABOT SCOW
LOGO READE LOME
TORN ERROR EDEN
FOURDOORSEAN
SNIP SEL
AGE ADLE REPORT
LEND LATS MOTOR
ANTEPENULTIMATE
NIEGE EDAR ETES
SPRITE ENAM ESS
INT TBAR
STATIONWAGONS
CART GRAIN DOOR
ALEE MOIST INRE
BEES ASSES NEED



© New York Times, edited by Eugene Malachuk

DOWN

- Blacks
- Conflute
- Tarkington's "In the —"
- Give way to tears
- Delroit suburb
- Fuddy-duddy
- City in S France
- Paldous place
- Cornigan was one
- Promoting, in a way
- Berels cousins
- 12 Greenbacks
- 13 Rib
- Membrane of a bird's beak
- Produce interest
- Seaport in NW Israel
- Abigails
- Out (raze)
- Joie de vivre
- Take live
- Scottish goblet
- "Vissi d' —"
- Puocini aria
- Rush follower
- Grut
- Utah city
- Freshly
- His hard
- Marbles
- 50 W. German city
- 52 Grudge
- Synagogue cantor
- 54 Bottomless gulf
- 56 Balto-Slav
- 57 Maintain
- 57 Terrible
- 58 Pasteur's birthplace
- 60 Play by Rattigan

TRAVEL

Rhodes: Crusader Legacy

Continued from page 7

al periods that count, both relatively short: those of the Crusaders and of the Italian Fascists.

Having been driven out of the Holy Land, the Hospitaller Knights of Jerusalem, led by the Grand Master Fulk de Villaret, went to Rhodes via Cyprus in 1309, occupying the island for over 200 years before the Turks expelled them. The Crusaders built ramparts, churches and a great castle.

This legacy of military glory appealed especially to Mussolini, who, during a three-decade Italian occupation, restored the Crusader city and landscaped it with brilliant gardens. The reconstruction wasn't always accurate and was sometimes heavy-handed. But the result is right out of Hollywood: the most spectacular array of Crusader remains in the Levant, including two-and-a-half miles of outer fortifications.

A visit can start by St. Peter's Tower, where a botanical paradise has been created out of an indentation in the line of ramparts, with rows of purple and yellow orchids, petunias, azaleas and lilies framed by palm and massive, dark cypress trees. The Italian instinct for pruning and cultivation seems to have conspired here with the wildness of Greece to create the perfect Mediterranean landscape.

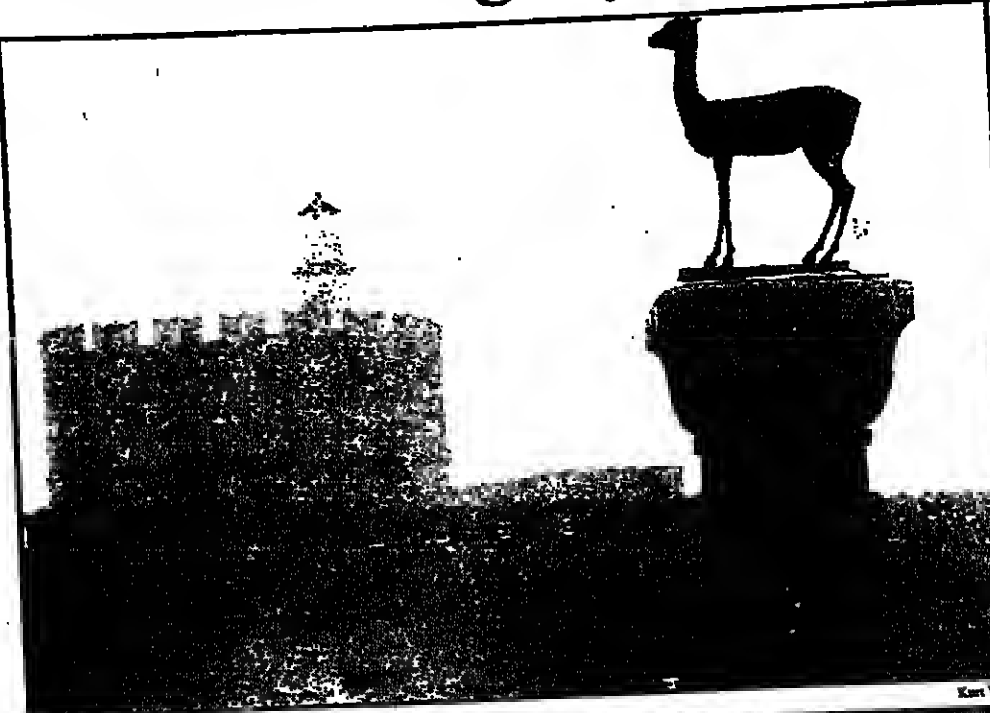
The Crusaders encouraged prodigious deer herds; thus it was particularly pleasant to see a few deer grazing in the dry moat below the Gate of Freedom, as we entered the old city. The main streets of the Crusader town are flanked by the most hideous of Mediterranean species, young men on motorcycles. We therefore escaped into the 13th-century Byzantine Church of St. Mary, which later became a Catholic cathedral of the Knights and a mosque for the Turks.

The narrow, soaring nave, and the severe, ribbed cross-vaulting make this church a masterpiece of volume and space arrangement. The echo of the liturgical music emerging from small speakers set in the apse gave me the feeling of being inside a bell after it had been struck. The walls and archways are adorned with 14th-century and 15th-century frescoes that are among the best examples of the Western eclectic trend in Byzantine painting: imagine an icon with bright, lively colors, with the saints looking contented rather than haunted by suffering.

ACROSS the square from the church is the 15th-century Hospital of the Knights, which now houses an archaeological museum. The collection of small ancient pots and statues is overshadowed by the marble sarcophagi, coats of arms and other memorials of the Crusaders lining the cavernous halls and interior archways.

The largest ward leads to a roof garden of geraniums and winter set among ancient statues. Cats are everywhere. Next to the garden, in a corner room, is a worn, marble statue of Venus found in Rhodes harbor. This Venus wears an enigmatic smile and may well be the Marine Venus that Durrell called "the presiding genius" of Rhodes; who "sits in the Museum . . . gravely meditating upon the works of time, through her the whole idea of Greece flows sadly, like some broken capital."

From the museum, the Street of the Knights leads uphill to the



Above, a bronze deer and Fort St. Nicholas's tower, topped by a lighthouse, flank the harbor of Rhodes. At right, the remaining columns of a Greek temple in Lindos.



Grand Masters' Palace. This cobbled lane is a jewel of medieval architecture. The pale ochre facades are cluttered with escutcheons of the various Hospitaller tongues (nations). France-Auvergne, Italy, Aragon and others.

The Grand Masters' Palace was completed in the late 14th century and restored as a summer residence for II Duce. The elevators, electric chandeliers, gilded mirrors, olive wood furniture, Chinese vases and other furnishings indicate the wealth of many purists. But seen against the immense stone walls and vaulted ceilings of one chamber after another, the interior decoration appears almost spare.

And surely one cannot complain about the 5th-century mosaics from the nearby island of Kos, which warm the rooms like rich Oriental carpets. From the pointed arched windows, vistas of sea and cypresses beckon.

The old city of Rhodes is almost as large as the Old City of Jerusalem, and only a few of its thoroughfares are crowded with tourists and motorcyclists. My wife and I and our 4-year-old son spent the better part of the day strolling the labyrinth of narrow alleys, inspecting the Byzantine churches and decrepit Turkish mosques that punctuate the squares.

In the evening, we left the old city and walked north along the harbor to the Turkish mosque and graveyard of Murad Reis, behind which Durrell lived in a little house beside a plane tree. The hibiscus he wrote about is no longer there, but the graveyard is just as peaceful as ever. The line of discs and fast-food joints inching ever closer to the mosque imply an ominous note for the future, though.

Durrell called his house by the Turkish cemetery the Villa Cleobolus, for the 6th century B.C. sage who ruled Lindos, a town on the east coast of the island where we headed the next morning. The bus journey through sylvan countryside by the edge of the sea takes an hour and 15 minutes. Durrell likened his first view of Lindos to stumbling into the heart of a poem, and this is just how Lindos appears today, when you first see it through a gorge.

At the square where the bus deposited us, we hired donkeys to take us through the streets of the town and up to the entrance of the acropolis.

The acropolis, though obstructed in part by restoration scaffolding, is in a class by itself: a mountaintop Crusader fortress encasing the remains of a Greek temple complex and a Byzantine chapel. Only the apse is left of the 13th-century chapel, dedicated to St. John. But it is like a tiny jewel set among the larger ruins, with the nave easily imagined. The Temple

of Athena dates from the 4th century B.C. Its Doric columns, squat and lonely, have a Pharaonic grandeur, reminding me of the Luxor Temple.

In 1317, the Grand Master Fulk de Villaret fled here after being deposed by his fellow knights only eight years after the Crusader conquest of Rhodes. Fulk had fallen victim to the island's sensuality, and his voluptuous lifestyle scandalized the Hospitaller Order, whose monastic code had been forged in the harsh Middle Eastern deserts.

Lindos not only lacks cars but hotels too. Instead, rooms and studio apartments in private houses are rented by the day or week through local travel agents. With these, you can sit out in the sun on a pebbled courtyard and read or meditate while watching the spectrum of late afternoon light on the whitewashed walls turn from yellow to green and then to blue, before finally dissolving into the darker tones of a photo negative.

"Lindos," wrote Durrell, "is like a trumpet-call, beaten out in gold-leaf and vibrating across the blue air of time." It is more, in fact. In Lindos, there is hope for the future of Mediterranean tourism.

Those less sure of their ability to ask for bread and cheese in Italian can stay at one of several hotels in the port city or, preferably, along the gentler west coast area between Morsia and Punta Fram. The coastal hotels have swimming pools as well as easy access to the sea. They also organize boat trips around the island or car tours to the main tourist attractions. But I would recommend renting a car or a modest-size motorcycle and discovering the peace of Pantelleria alone.

A drive around the entire island might take only an hour, but who is in a hurry? A first diversion should be to the lake, the Mirror of Venus, for a swim in water that remains warm through October. Where the road reaches the lake is the easiest place to enter without sinking knee-deep into the mineral-packed ooze. Almost opposite is the hot sulfur bath where aches and pains can be wooed away by mud packs.

The east and south sides of the island have the wilder landscape, with steep cliffs of black lava tumbling down to the sea and, on either side of the road, paths for walking and wandering. Just beyond Cala Levante stands Pantelleria's best-known natural landmark, the Elephant's Trunk, a huge rock attached to a volcanic arch that reaches out to sea.

Another road runs through the island's villages and a third winds to the top of the Montagna Grande.

My favorite walk began at Siba and took me along a path overlooking the quiet Plain of Monastero — up to the "sauna" tucked in a rock at a point called Vedicalao. In reality, the sauna is more like a Turkish bath, with steam heating a tiny cave to just the right temperature all year.

Many farmers make their own delicious wine from muscat-like grapes and they are more than happy to allow visitors to try some and buy some (don't be put off if it comes in an old mineral water bottle because the price is only about \$1.50 a liter).

The fear on an unspoiled island like Pantelleria is, of course, when will it lose its primitive charm? Yet, without beaches and without a tourist-bungy population, I would guess that its special appeal remains its best protection. This is not a place for doing things (which is why young children may grow impatient), but rather simply for being. To sit on the shaded veranda of a being, to sip a glass of local wine, watching goats nibbling among the rocks and waiting for sunset is the sort of moment that Pantelleria has prepared as a memory.

To come close to this world, the best solution is to stay in one of many renovated dammusi. Some outsiders, such as the fashion designer Giorgio Armani, have used the traditional style to add extra rooms to create stunning vacation homes. Dammusi with as many as three bedrooms, sitting room, kitchen and bathroom can be rented for a week at a time. Some dammusi owners take paying guests.

Robert D. Kaplan is the author of "Surrender or Starve: The Wars Behind the Famine." He wrote this article for The New York Times.

East Africa's Vintage Coffee

by Florence Fabricant

COFFEE, the daily eye-opener in a safari tent and the gracious finish to dinner around a campfire or in a lodge, is to East Africa what wine is to France.

Indeed, in northern Tanzania near the town of Arusha and Mount Kilimanjaro, rows of neatly tended coffee plants line the route and cover sloping hillsides, like grapevines in Burgundy or Alsace.

The similarity is more than visual. From plant to cup, coffee, like wine, is a story of hospitable soil, careful tending, pruning, hand-harvesting, fermenting and blending.

"Coffee is horticulture, not a crop like corn or wheat," said Margaret Gibb Kullander, who owns Gibb's Farm, a coffee plantation near the Ngorongoro Crater in Tanzania. At the farm, which has comfortable rooms for overnight guests, lunch is served in a lush garden overlooking the highlands planted with coffee.

The coffee trees stand about six feet (1.8 meters) high, their shiny evergreen leaves covering slender, vertical branches emerging from a thick stump. The plants have been cut back many times to generate vigorous top growth, just as a viticulturist might prune grapevines.

It takes about seven years from the time you plant a coffee tree until you get a worthwhile harvest," Kullander said.

Originally the cherry-sized red berries of the coffee tree, native to Ethiopia, were used as food, the pulp crushed and mixed with fat, and they were sometimes fermented to make wine.

The first cultivation of coffee is thought to have succeeded in Yemen, just across the Red Sea from Ethiopia, around the 13th century. There it acquired its Arabic name, *qahwa*, a poetic word for wine, which was transferred to the drink made from roasted coffee berries.

The drink gradually became popular throughout the Arab world and by the mid-19th century had been introduced into Europe. The term coffee is an attempt at Europeanizing the Arabic word.

The best coffees come from trees of the *coffee arabica* species. That is the variety introduced to East Africa by Catholic missionaries in the 1890s.

COFFEE became a valuable crop after World War I in Kenya and what was then Tanganyika, now Tanzania, where a number of settlers from Germany began raising the crop. At the outbreak of World War II, the German coffee plantations were seized by the British government. After the war, the plantations were sold.

Ellen Dorman, the grande dame of Kenyan coffee, now in her late 80s, fled to Kenya from Germany in 1939. She lives in Nairobi and is not a grower. She roasts and blends coffee. Unlike Gibb's Farm coffee, which is available only in small quantities at the farm, Dorman's is among the most widely sold brands in Nairobi.

Both Kenyan and Tanzanian coffees are winey and full-bodied, with lively acidity. In Kenya, coffee is grown around Nairobi and



Coffee beans are picked from shrublike trees that are cut back many times.

on the slopes of Mount Kenya. Like most coffees cultivated at high altitudes, it enjoys an excellent reputation in the world's market. And while Kenya is only No. 12 in volume of coffee produced worldwide, coffee was the country's No. 1 industry until last year, when it was surpassed by tourism.

Dorman said cultivation of a type similar to the rare and expensive Jamaican Blue Mountain was being attempted in the west, near Lake Victoria. She scoffed at advertising that talks of Kenyan coffee from the slopes of Mount Kilimanjaro. Mount Kilimanjaro is in not in Kenya but in Tanzania. Indeed, some of the best Tanzanian coffees, which are similar to those of Kenya but somewhat more full-bodied, are grown on its slopes by members of the Chaga tribe.

Also in northern Tanzania, coffee is raised on the slopes of Mount Meru, Mount Oldeani and in the Ngorongoro highlands. A lesser quality is grown in the southern part of the country.

A type of coffee prized by some in both countries is peaberry, so called because the coffee bean with its distinctive vertical indentation develops as a single rounded seed, not a pair fastened to each other back to back, as is usually the case.

To obtain the beans the berries are picked when fully ripe, having turned bright red. They are gathered selectively, by hand, each tree gone over several times during the harvest period, which runs from August until October. To reach the bean, the pulp and then the two layers of hull that envelop it must be discarded. The berries are washed, then run through a pulper to remove the outer pulp.

The beans, with sticky fruit still clinging to them, are then placed for 12 to 24 hours in concrete tanks where the sugar in the fruit ferments, turning to alcohol. They are washed again, and then spread out to dry. This process loosens the skins covering the

beans, which are then removed in a hulling machine.

What remains is a pair of green beans, or in the case of peaberry, a single bean. The beans are then graded according to size and uniformity, the largest ones labeled AA or A and fetching the highest prices at weekly coffee auctions. Peaberry, not graded, is considered to rank just below A. Beans destined for export, which account for most of the production of both Kenya and Tanzania, are sold green or unroasted.

But to judge which coffees to buy at auction, dealers like Dorman "liquor," or roast and taste, samples of as many as 400 lots of beans each week. Dorman and her assistant, John Mbuga, do their liquoring in the lab attached to her house in Nairobi.

Dorman Coffee was begun as a coffee brokerage company by Dorman's late husband, Charles, who also came from a family of coffee roasters in Hamburg. She began roasting coffee in Kenya in 1950, and Dorman Coffee is the oldest roasting firm in Kenya. Now she is in partnership with Jeremy Block.

Gibb's Farm, which once consisted of 660 acres (267 hectares), 100 of which were planted with coffee, now maintains only three acres of coffee plants for its own use, the rest having been nationalized.

Like Dorman, Kullander insists that for the best coffee the beans must be freshly roasted and freshly ground. The coffee is indeed finely ground and brewed, using bottled water, for guests on the farm.

When buying roasted coffee in Kenya or Tanzania to bring home, look for packaging that states "hermetically sealed," guaranteeing freshness. Kenya Coffeehouse blend, produced by the Coffee Board of Kenya, is available in gift shops as are the various Dorman's brands. Most sell for 500 grams for \$5.

© 1989 The New York Times

Pantelleria

Continued from page 7

1891, and hot springs and whiffs of sulfur still remind of the constant activity below the surface.

Two volcanoes — the Montagna Grande and the Monte Gibele — dominate the island, but smaller hills signal the sites of lesser eruptions. One crater floor is covered by a small lake — Specchio di Venere or the Mirror of Venus — with water softened by an array of minerals. One edge is heated by hot sulfur bubbling up from below.

Then there is the wind, sometimes hot, sometimes cold, coming from either Africa or Europe depending on the time of the year, but always, it seems, blowing. And that, along with the lava, explains the minimal vegetation. Smaller pine trees cover the two main volcanoes, but otherwise cactuses seem happiest, sprouting from between rocks as if water and earth were unnecessary extras.

Agriculture has adjusted remarkably. Olive trees are not trees, but little bushes no more than two feet high that hug the ground to avoid the wind. Vineyards, in turn, look like vegetable patches from afar, albeit producing excellent quality grapes on vines so low that they need no support. Caper bushes, which provide one of Pantelleria's main exports, have also learned to grow outward rather than upward, their orchidlike flowers bringing a rare splash of color.

Yet, despite its precarious environment, from the time of the Phoenicians, around 700 B.C., Pantelleria's strategic position — just 40 miles from Africa and 70 miles from Europe — has made it a prize possession. Over the centuries, it was successively occupied by Greeks, Romans, Arabs, Normans, Spaniards and a host of mercenary forces before it was finally absorbed by Italy in 1860.

During World War II, it took weeks of aerial and naval bombardment, during which the port city of Pantelleria was destroyed, before American forces could take the island on their way to invading Sicily. And even today, thanks to generalized distrust of Libya's regime to the south, Italy trusts of Libya's regime, though discreet, maintains a considerable, though discreet, military presence on the island, while Americans operate a hill-top radar facility.

But it was the Arabs who made the island's most striking feature — its so-called dammusi architecture. Designed to satisfy the local obsession for self-sufficiency, a dammusi is a

house built with volcanic rock walls often three or more feet thick that ensure warmth in the winter and coolness in the summer. Each room has a white-washed roof with a simple dome to enable rain to run off into a simple underground deposit that provides water year-round. The dammusi also happens to be stunningly beautiful.

The same intelligence was applied to agriculture. Pantescans built round roofless constructions known as *giardini* — gardens — where, shielded from the wind by thick walls, one lemon tree can grow in splendid isolation up to 10 feet (3 meters) high. Smaller walls made of black and gray lava blocks in turn serve as wind-breakers in vineyards, caper plantations and vegetable gardens that produce small but tasty tomatoes.

Seen from afar, then, Pantelleria is an arid wind-swept volcanic island that wandering

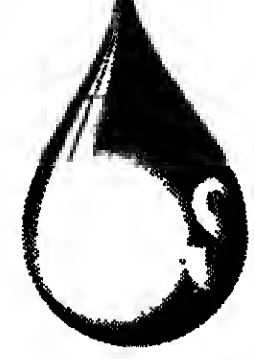
This is not a place for doing things, but rather simply for being.

migrants could have been forgiven for sailing past. But from any hillside vantage point, the dazzling domes of the dammusi, the gentle curves of the *giardini*, the ancient farming terraces and the maze of lava walls suggest that little has changed since medieval times.

The Pantescans themselves, all 8,000 or so of them, seem in no hurry to become modern. Even in the quite forgettable port city built after the war, improvisation is preferred to planning, while in the farming communities and myriad isolated dammusi farther inland, the seasons set the pace.

From June, husband, wife and children are to be seen from soon after dawn picking capers. Then from September, the grapes are ripe and ready. Only the goats are kept busy all year.

To come close to this world, the best solution is to stay in one of many renovated dammusi. Some outsiders, such as the fashion designer Giorgio Armani, have used the traditional style to add extra rooms to create stunning vacation homes. Dammusi with as many as three bedrooms, sitting room, kitchen and bathroom can be rented for a week at a time. Some dammusi owners take paying guests.



OIL & MONEY

A NEW DECADE A NEW GROWTH ERA?

LONDON, OCTOBER 19-20, 1989

THE 10TH ANNUAL INTERNATIONAL HERALD TRIBUNE / THE OIL DAILY CONFERENCE

OCTOBER 19

KEYNOTE ADDRESS
H.E. Hisham Nazer, Minister of Petroleum and Mineral Resources, Saudi Arabia

OUTLOOK FOR SUPPLY AND DEMAND AND PRICES
Dr. Robert Mahr, Director, Oxford Institute for Energy Studies, Oxford

THE OUTLOOK FOR PRODUCER COOPERATION
Dr. Herman T. Fransson, Economic Advisor to H.E. The Minister of Petroleum and Mineral Resources, The Sultanate of Oman

THE OUTLOOK FOR PRODUCER COOPERATION INTO THE 1990's
Arne Olaf, Minister of Petroleum and Energy, Norway

THE GEOPOLITICS OF OIL
IRAN, IRAQ AND THE GULF STATES
Prof. Fred Halliday, Professor, International Relations, London School of Economics

THE UNITED KINGDOM'S ENERGY POLICY
The Rt. Hon. John Wakeham M.P., Secretary of State for Energy, U.K.

U.S. OIL COMPANIES' STRATEGIES
C.J. Silas, Chairman and Chief Executive Officer, Phillips Petroleum Company, Bartlesville, Oklahoma

THE ENVIRONMENTAL CHALLENGE AND THE IMPACT ON THE OIL INDUSTRY
Dr. Nay Hnin, Regional Director and Representative for Asia and the Pacific, United Nations Environment Programme, Thailand

10TH ANNIVERSARY DINNER — NATURAL HISTORY MUSEUM
Guest Speaker: Prof. Dr. Subroto, Secretary General of OPEC, Vienna. Co-sponsored with the New York Mercantile Exchange and the Rotterdam Energy Futures Exchange.

OCTOBER 20

KEYNOTE ADDRESS
H.E. Isam H. Chabibi, Minister of Oil, Iraq

DEFICITS AND SURPLUSES — FOREVER?
Dr. Stephen Morris, Senior Fellow in Europe, Institute for International Economics, Paris

MARKET PROSPECTS AND CORPORATE STRATEGY
L.C. van Wachem, Senior Group Managing Director, Royal Dutch/Shell Group of Companies, The Hague

TECHNOLOGICAL CHANGE AND THE DECLINING COST TO THE OIL INDUSTRY
Jean Mea, President, Institut Français du Pétrole, Paris

PROFIT OUTLOOK FOR THE WORLD OIL INDUSTRY THROUGH 1990
Thomas R. McHale, Senior Economist, Drexel Burnham Lambert Trading Corporation, New York

ENERGY POLICY OF THE BUSH ADMINISTRATION
W. Henson Moore, Deputy Secretary of Energy, U.S.A.

DE-REGULATION AND 1992: IMPLICATIONS FOR THE OIL AND GAS INDUSTRY
Antonio Cardoso e Cunha, Commissioner for Energy, European Commission, Brussels

THE HIGHLIGHTS OF THE LAST 10 YEARS AND THE CHALLENGES OF THE NEXT 10 YEARS
Moderators: Dr. Herman T. Fransson, Economic Advisor to H.E. The Minister of Petroleum and Mineral Resources, The Sultanate of Oman; Nicholas G. Volte, Oil Consultant, London and The Hague

THE **HERALD TRIBUNE** **OIL DAILY** **TWA** **NEW YORK MERCANTILE EXCHANGE** **R-O-E-F-E-X**

REGISTRATION INFORMATION
The conference fee is £650 plus VAT at 15% (£97.50), making a total of £747.50. This includes lunches, the Anniversary Dinner and post conference documentation. Fees are payable in advance and will be returned (less £50 administration charge) for any cancellations received on or before October 9. Cancellations received after October 9 will be charged the full fee. Substitutions may be made at any time.

The sponsors reserve the right to amend the program if necessary.

CONFERENCE LOCATION
Inter-Continental Hotel, 1 Hamilton Place, Hyde Park Corner, London W1V 0QY.
Tel.: (441) 409 3131
Telex: 25853, Fax: (441) 493 3476

A limited number of rooms has been reserved for participants at preferential rates. Reservations must be received by October 2. Please contact the hotel directly.

CONFERENCE REGISTRATION FORM
To register for the Oil Conference, please fill in the form below and send to: International Herald Tribune, Oil & Money Conference, 63 Long Acre, London WC2E 9JH, England.
Tel.: (441) 379 4302, Telex: 262009, Fax: (441) 836 0717 or (441) 240 2254.

☐ Please invoice ☐ Check enclosed

SURNAME: (PLEASE PRINT) _____

FIRST NAME: _____

POSITION: _____

COMPANY: _____

ADDRESS: _____

CITY: _____ COUNTRY: _____

TELEPHONE: _____ FAX: _____

11-8-89

NYSE Most Active				
Vol.	High	Low	Last	Chg.
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00
Amgen	270.00	268.00	269.00	+1.00

Market Sales				
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq
NYSE	Amex	Nasdaq	Amex	Nasdaq

NYSE Index				
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.
High	Low	Close	Chg.	Vol.

Dow Jones Averages				
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

AMEX Diary				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

NASDAQ Index				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

AMEX Most Active				
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.

Dow Jones Bond Averages				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

NYSE Diary				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

Odd-Lot Trading in N.Y.				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

Dow Jones Averages				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

Standard & Poor's Index				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

NASDAQ Diary				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

AMEX Stock Index				
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.
Class	Prev.	Chg.	Vol.	Chg.

Shares Finish Sharply Higher on Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Prices rose sharply Thursday on the New York Stock Exchange, briefly pushing the Dow Jones industrial average past its record close before falling back on a wave of late selling.

Within a half-hour of the close, the industrial average climbed to about 2,733 points, well above the record high of 2,722.22 points set on Aug. 25, 1987. It settled back to finish at 2,712.63 points, up 26.55 from Wednesday.

"You can take the bottle out, but don't open it yet," said Trude Laitner, a market analyst with Josephthal & Co., of the leading index's near-record finish.

Elsewhere, the Dow Jones transportation average jumped 13.34 to 1,419.63, as airline issues continued to rally on the \$240-a-share offer for UAL Corp., owner of United Airlines, from a group led by investor Marvin Davis.

Broader market indexes, which set all-time highs in July, also rose.

The New York Stock Exchange composite index added 0.77 to 193.97. The price of an average share gained 15 cents.

Advanced stock indices by about a 4 to 3 ratio. Volume was 198.66 million shares, compared with 209.90 million on Wednesday.

Ms. Laitner said computer-aided buy programs, triggered by a rebound in the bond market, were largely behind the late surge.

She noted, however, that the buying spree was selective.

"Only a handful of stocks like Procter & Gamble, Eastman Kodak and Woolworth were bought," she said. "Other blue chips were left virtually untouched."

Still, she added, the industrial average closed above 2,710, which indicates there remain plenty of buyers to produce further gains.

Ricky Harrington, a technical analyst with Interstate-Johnson Lane Corp. in Charlotte, North Carolina, said a new high for the Dow industrials was imminent.

"The momentum is still there," he said.

After languishing at mixed levels early on, the market also strengthened late in the day on optimism about economic reports due out Friday, traders said.

The Producer Price Index report, a measure of inflationary pressure, is expected to deliver good news by showing a modest 0.1 percent gain in July. Also due out Friday is a report on July retail sales.

Computer Associates was the most-active NYSE issue, falling 2 1/2 to 17. Traders said delays in the acquisition of Cullinet Software was sparking concerns about the company's earnings. Cullinet fell 1 1/2 to 8 1/2.

AMAX Inc., the second-most-active issue, eased 3/4 to 28. Beverly Enterprises, which followed, rose 1 1/4 to 9 1/4.

UAL Corp. gained 7 1/4 to 251 1/4. The owner of United Airlines said it has not rejected a \$240-a-share bid from investor Marvin Davis, but instead is exploring all financial and strategic alternatives open to the company.

Elsewhere in the airline sector, AMR rose 3/4 to 77 1/4, and Southwestern Airlines gained 1/4 to 27 1/4. Other issues that rose on takeover news or speculation included Transbrams, up 3/4 to 71 1/4; and Ferro, up 3 to 58 1/4.

Among the blue chips, Procter & Gamble jumped 5 1/4 to 123 1/4. The company posted earnings of 99 cents a share, up from 82 cents a share a year ago. F.W. Woolworth rose 2 1/4 to 63 1/4, and Eastman Kodak gained 1 1/4 to 51 1/4.

Prices closed higher in active trading on the American Stock Exchange.

The Amex Market Value index rose 1.09 to an all-time high of 382.24.

The price of an average share gained 4 cents. Advances narrowly led declines. Volume totaled 17.99 million shares, compared with 19.1 million shares on Wednesday.

(AP, UPI)

U.S. Futures

Via The Associated Press

Aug. 10

Season High Season Low Open High Low Close Chg.

WHEAT (CBOT)

5,000 bushels per bushel

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50

4.

Dollar Gains Before Release of Economic Data

NEW YORK — The dollar moved higher Thursday in response to technical factors and on the belief that upcoming U.S. economic data will show stronger-than-expected economic growth.

Following sharp losses in the morning, waves of dollar buying began in the afternoon. Adding to the buying enthusiasm was another sharp rise in the Dow Jones industrial average, which was trading above an all-time high before falling back ahead of the close.

The dollar finished at 1.9065 Deutsche marks, compared with 1.8965 on Wednesday. Earlier in the day, it had tumbled as low as \$840 DM.

The U.S. currency also closed at 139.85 yen, compared with 139.10. Volume was moderate. Lou Calvello, a trader at Prudential-Bache Securities Inc., said, "People are

London Dollar Rates

Chester	Thu	Fri
Deutsche mark	1.9065	1.8965
Swiss franc	1.4970	1.4930
French franc	6.5500	6.5500

waiting for the economic numbers to give them direction."

Government reports on U.S. wholesale prices and retail sales for July are to be released on Friday.

The dollar has lacked a firm direction for most of the week, following a rally that began Friday after a better-than-expected U.S. employment report for July and that faltered on Tuesday.

Daniel Holland, vice president at Voute Coates Stuart & O'Grady in Greenwich, Connecticut, said that the dollar should trade from 1.8750

DM to 1.9100 DM, and from 137.50 yen to 140.00 yen, until the beginning of next month.

The dollar also gained to 1.6400 Swiss francs, from 1.6350, and to 6.4430 French francs, from 6.4085.

The British pound slipped to \$1.6175, from \$1.6217.

Traders also were looking ahead to the U.S. trade report for June, which is to be published next week.

Mr. Holland said that earlier in the day, as the dollar was recovering, the market was focused on other high-yield currencies.

"The high-yield currencies do well in the summer months, particularly in August, since the dollar falls into a tight range," he said.

Earlier in London, the dollar edged lower in quiet trading as markets assessed the latest U.S. Federal Reserve report on economic conditions, which pointed to slower domestic growth.

The Fed data, released Wednesday, appeared to be consistent with other U.S. government reports that show slow growth in manufacturing and an easing of consumer demand.

Dealers said that the U.S. currency would probably trade in a fairly narrow range over the next few days.

The dollar finished at 1.8920 DM, down from 1.9000 DM at the close Wednesday, and at 139.05 yen, down from 139.15.

The British pound gained to \$1.6265, from \$1.6190.

The U.S. unit slipped to 1.6290 Swiss francs, compared with 1.6350, and to 6.3800 French francs, compared with 6.4200.

Pat McGill, head of the corporate desk at Daiwa Europe, said he believed that the dollar would remain "in the ranges we've seen in the last two or three days."

Malaysia and U.S. End Palm Oil Battle

KUALA LUMPUR, Malaysia — Palm oil industry officials said Thursday that the American Soybean Association had agreed to end a negative advertising campaign in which it linked consumption of palm oil to heart disease.

Talks to end the long-running trade dispute took more than two years, officials of the Malaysian Oil Palm Growers Council and the Palm Oil Promotion Fund said in a joint statement.

The American Soybean Association, worried that its market share would suffer at the expense of palm oil, began its negative advertising campaign in the United States in 1987 by saying that tropical oils, especially palm oil, contained saturated fatty acids dangerous to health.

In one ad the association said, "What you don't know about tropical fats can kill you." The U.S. National Heart Savers Association said in its ads that the public was being "poisoned" by palm oil.

The campaign led to a drop in U.S. imports of palm oil. Malaysian officials grew increasingly

concerned about a wider, longer-term fallout in other markets as well.

Malaysia is the leading producer of palm oil, while the United States is the largest maker of soybean oil.

"We are delighted that the dispute has ended," said Alias Ali, the deputy primary industries minister. "The edible oils markets is large enough for palm oil and soybean oil to coexist."

Officials of the palm oil industry in Malaysia said that they had spent millions of dollars to buy advertising space in major U.S. newspapers to counter what they termed a "smear campaign."

Mr. Alias said: "We always felt that the ASA claims were based on commercial considerations, not scientific fact. In a way the cease-fire is a vindication of our belief that palm oil is safe and nutritious."

Under the agreement, the American Soybean Association "will not communicate directly or indirectly in any member publications, comments or stories which portray other oils in a negative light."

Gold Fields Stock Frozen by Probe

LONDON — More than 165,000 shares in the London-based mining group Consolidated Gold Fields PLC have been frozen by officials investigating suspected insider dealing in one of the biggest takeover battles in British history.

The Department of Trade and Industry said that it had banned all trading in the frozen shares, which are held by nominee companies in numbered accounts, until the owners were traced. The shares are worth about £2.4 million (\$3.9 million).

Investigators will see whether there were illegal share deals using confidential company information shortly before the South African-backed Minerals & Resources Corp. launched its unsuccessful bid for Gold Fields in October.

WestLB Profit Sinks 10%

DUSSELDORF, West Germany — Westdeutsche Landesbank Girozentrale said Thursday that operating profit in the first half fell about 10 percent from half of 1988.

The bank, which gave no precise total profit data, said earnings fell due to higher short-term rates that raised refinancing costs. It said it also expected total operating profit to fall for the year.

Parent bank partial operating profit, which comprises net interest and commission earnings less operating costs, fell to 277 million Deutsche marks (\$146 million) in the first half of 1989, from 392 million DM in half of 1988, the statement said.

Ranked by its balance sheet total, which was 158.19 billion DM at midyear, WestLB is West Germany's fifth-largest bank. The com-

pany's banks have reported uneven earnings for the first half, with some doing well and others doing poorly.

"The changing interest-rate situation and the specific structure of the regional savings banks lowered WestLB's interest surplus in spite of increased customer demand," the bank said.

WestLB's interest surplus fell to 726 million DM in the first half of 1989, from 840 million DM in the same 1988 period.

Operating costs rose to 571 million DM, from 554 million DM in the first half of 1988.

WestLB, which is 43.2 percent held by the West German federal state of North Rhine-Westphalia, said despite the lower earnings forecast it would not reduce a 4 percent dividend payout on share capital.

U.S. Official Sparks Furor

WASHINGTON — The new head of the Overseas Private Investment Corp., a longtime friend of President George Bush, made a series of remarks that angered officials from a host of foreign nations who attended a recent meeting in Seattle to boost trade across the Pacific.

According to the participants, Fred Zeder 2d, appointed by Mr. Bush to lead OPIC, told a joke that angered Soviet and Chinese representatives and made remarks that were "insensitive" to representatives of 21 foreign nations, many of them less-developed countries.

"He treated many of them in a condescending way," said one participant Wednesday. "People were appalled."

Mr. Zeder said he was "astounded" by the reaction to his speech and especially by the anger generated by what he called an old Bob Hope joke. "I've told it a hundred times," he said.

Mr. Zeder's joke went like this: Mao Zedong is asked what would happen if Lee Harvey Oswald had assassinated Nikita S. Khrushchev instead of John F. Kennedy. Mao replied that Aristotele Onassis would not have minded Mrs. Khrushchev.

The Seattle Times said that both Soviet and Chinese representatives at the conference, held as part of the celebration of Washington's centennial as a state, were visibly annoyed by the joke and by Mr. Zeder's attacks on socialism.

Floating-Rate Notes

Dollars		Pounds Sterling	
Issuer/Note	Coupon Yield Bids Asked	Issuer/Note	Coupon Yield Bids Asked
1st Nat'l Bank	10.24 25.00 10.25 10.25	1st Nat'l Bank	10.24 25.00 10.25 10.25
2nd Nat'l Bank	10.24 25.00 10.25 10.25	2nd Nat'l Bank	10.24 25.00 10.25 10.25
3rd Nat'l Bank	10.24 25.00 10.25 10.25	3rd Nat'l Bank	10.24 25.00 10.25 10.25
4th Nat'l Bank	10.24 25.00 10.25 10.25	4th Nat'l Bank	10.24 25.00 10.25 10.25
5th Nat'l Bank	10.24 25.00 10.25 10.25	5th Nat'l Bank	10.24 25.00 10.25 10.25
6th Nat'l Bank	10.24 25.00 10.25 10.25	6th Nat'l Bank	10.24 25.00 10.25 10.25
7th Nat'l Bank	10.24 25.00 10.25 10.25	7th Nat'l Bank	10.24 25.00 10.25 10.25
8th Nat'l Bank	10.24 25.00 10.25 10.25	8th Nat'l Bank	10.24 25.00 10.25 10.25
9th Nat'l Bank	10.24 25.00 10.25 10.25	9th Nat'l Bank	10.24 25.00 10.25 10.25
10th Nat'l Bank	10.24 25.00 10.25 10.25	10th Nat'l Bank	10.24 25.00 10.25 10.25

Japanese Yen		E.C.U.	
Issuer/Note	Coupon Yield Bids Asked	Issuer/Note	Coupon Yield Bids Asked
1st Nat'l Bank	10.24 25.00 10.25 10.25	1st Nat'l Bank	10.24 25.00 10.25 10.25
2nd Nat'l Bank	10.24 25.00 10.25 10.25	2nd Nat'l Bank	10.24 25.00 10.25 10.25
3rd Nat'l Bank	10.24 25.00 10.25 10.25	3rd Nat'l Bank	10.24 25.00 10.25 10.25
4th Nat'l Bank	10.24 25.00 10.25 10.25	4th Nat'l Bank	10.24 25.00 10.25 10.25
5th Nat'l Bank	10.24 25.00 10.25 10.25	5th Nat'l Bank	10.24 25.00 10.25 10.25
6th Nat'l Bank	10.24 25.00 10.25 10.25	6th Nat'l Bank	10.24 25.00 10.25 10.25
7th Nat'l Bank	10.24 25.00 10.25 10.25	7th Nat'l Bank	10.24 25.00 10.25 10.25
8th Nat'l Bank	10.24 25.00 10.25 10.25	8th Nat'l Bank	10.24 25.00 10.25 10.25
9th Nat'l Bank	10.24 25.00 10.25 10.25	9th Nat'l Bank	10.24 25.00 10.25 10.25
10th Nat'l Bank	10.24 25.00 10.25 10.25	10th Nat'l Bank	10.24 25.00 10.25 10.25

INTERNATIONAL REAL ESTATE MARKETPLACE

REAL ESTATE TO RENT/SHARE	REAL ESTATE TO RENT/SHARE	REAL ESTATE TO RENT/SHARE	REAL ESTATE TO RENT/SHARE
PARIS AREA FURNISHED 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	PARIS AREA FURNISHED 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	PARIS AREA FURNISHED 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	PARIS AREA FURNISHED 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank

INTERNATIONAL CLASSIFIED

AUTOMOBILES	AUTOS TAX FREE	AUTO RENTALS	BOATS/YACHTS
1989 TOYOTA 1989/1990 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	1989 TOYOTA 1989/1990 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	1989 TOYOTA 1989/1990 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	1989 TOYOTA 1989/1990 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank

ADVERTISEMENTS		INTERNATIONAL FUNDS	
August 10, 1989		August 10, 1989	
ALCOHOL 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	ALCOHOL 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	ALCOHOL 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank	ALCOHOL 1st Nat'l Bank 2nd Nat'l Bank 3rd Nat'l Bank 4th Nat'l Bank 5th Nat'l Bank 6th Nat'l Bank 7th Nat'l Bank 8th Nat'l Bank 9th Nat'l Bank 10th Nat'l Bank

SPORTS

Celtics Lose No. 1 Pick to Rome



Brian Shaw is getting \$1 million a year from the Celtics, an offer "too good to refuse."

The Associated Press
BOSTON — Brian Shaw, the guard who was the Boston Celtics' top draft choice in 1988, has signed to play this season for the Rome-based Italian basketball team.

Shaw, who was a starter for the Celtics last season, signed a two-year contract with the Italian team Wednesday night and will leave for Rome on Sunday, one of his lawyer-agents said.

Terms of the deal were not disclosed, but it was learned that it will pay the 23-year-old, California, native almost \$1 million a year.

"I don't talk figures," the agent, Michael Burnstein, said by telephone from California early Thursday.

day when asked what the contract was worth. But he added, "It was too good to refuse."

He said the contract contains an option allowing Shaw to leave the team after one year if he decides European basketball isn't for him.

Burnstein said Shaw signed for the money and the security. He said his partner, Leonard Armato, negotiated the deal.

"It was too good to turn down," Burnstein said. "Basically, he wanted to take care of his family. He's not married, but he wanted it for his parents."

Shaw, who was at a basketball camp in Saco, Maine, had been negotiating with the Celtics, whom he had called "my No. 1 choice."

"It is one of the best organizations," Shaw had said early Wednesday. "I'd like to stay there. That's all I can say."

His mother, Barbara Shaw, told The Boston Globe by telephone from California that "the Italian team has been very persistent. They seemed willing to give him whatever he needed. I think very much that he wanted to stay with Boston. Hopefully, he will come back to Boston."

"He felt like he had to do it for himself and his family," Burnstein said. "He spent a great year in Boston. He loved the city and he loved the fans. It had nothing to do with that. It just comes down to money."

Armato, who represents Kareem Abdul-Jabbar, said he will fly to Italy with Shaw on Sunday.

This is the team that courted Kareem to play in Italy and now, for the first time, has secured a starting player from an NBA team, none other than the Boston Celtics, which

is quite a coup for them," Armato said. "It's an amazing thing."

Armato said the Celtics were "aware of the Italian offer."

"The Italian team handled it very professionally. They were willing to make great concessions to secure Brian and make him feel extremely important," he said.

"They stressed the importance of the family (atmosphere) and how everyone on the team has become part of the organization. They made it very clear how excited they were about securing his services, financially and psychologically."

"It's a business decision, that's the bottom line," Armato said.

Shaw, 23, graduated from the University of California at Santa Barbara in 1988 after attending St. Mary's College for two years. He was Boston's first pick in the draft, the 24th overall.

He started in 54 games at point guard for the injury-ridden Celtics, averaging 8.6 points and 5.6 rebounds per game. When he became a starter, he led the Celtics to trade Danny Ainge to the Sacramento Kings, and Shaw averaged the most playing time by a Boston rookie since Kevin McHale in 1980-81.

When Ferry opted to sign with the Rome team instead of starting his pro career in the NBA, it was considered a coup by European basketball. Shaw's defection, a blow to the Celtics, will lead even more credibility to Italy's pro league. U.S. players such as Bob McAdoo, Darren Daye, Larry Drew and Norm Nixon have been popular in Italy, but until Ferry — and now Shaw — the league was unable to lure the NBA's rising stars.



Claudia Kohde-Kilsch flipped over a 7-6, 7-6 loss Wednesday to Mary Lou Daniels in a match in Manhattan Beach, California.

Edberg, McEnroe Back In the Swing After Rests

The Associated Press

INDIANAPOLIS — Having eased their Wimbledon disappointments with five-week vacations, Stefan Edberg and John McEnroe returned to work in the U.S. Hardcourt tennis tournament by scoring straight-set victories to advance to the third round.

The top-seeded Edberg beat Danie Visser, 6-4, 6-4, on Wednesday night, and No. 2 McEnroe defeated Dan Cassidy, 6-2, 6-2.

"I always find it hard to get into it," said Edberg, the world's third-ranked player, who took a break after losing to Boris Becker in the Wimbledon final.

Edberg's only competition since had been in some Asian exhibitions and a Davis Cup doubles match for Sweden last month. An ankle injury kept him from playing singles in the Davis Cup event.

"I needed to take some time off because I've played an awful lot of tennis this year," he said.

Edberg said that failing to defend his Wimbledon title against Becker was "very disappointing. It hurts to lose two Grand Slam finals within a month."

Michael Chang, the American teen-ager, had stunned Edberg in the French Open final in May.

"It's not that I've played bad tennis," Edberg said. "It's just that I haven't had luck on my side and haven't been able to play good enough to win those."

McEnroe, ranked No. 6 in the world, took a five-week break to heal a left shoulder that he injured while reaching the semifinals at Wimbledon.

"My shoulder feels fine," he said. "It's nowhere near where it was before. It was just overworked and needed a couple of weeks to rest and rehabilitate."

Other seeded winners Wednesday were No. 2 Tim Mayotte, No. 4 Aaron Krickstein, No. 8 Todd Witsken, No. 10 Richard Matsuzewski and No. 13 Wally Masur.

Mayotte, coming off a victory in Washington two weeks ago, withstood a late-night challenge from Jimmy Arias and won, 5-7, 6-2, 6-2.

Krickstein beat Diego Nargiso of Monaco, 6-1, 6-4, and Witsken eliminated Vijay Amritraj of India, 7-6 (8-6), 6-3.

Matsuzewski edged Brad Pearce, 7-6 (7-3), 7-6 (7-5), and Masur beat Chris Fildham of Canada, 6-1, 7-5.

Chang Loses in 2d Round
Top-seeded Michael Chang, the French Open champion, continued his struggles on the tennis courts Wednesday as he was defeated by Jason Stoltenberg of Australia, 6-3, 7-6 (7-4), in the second round of the Swiss Army Knife Open in Livingston, New Jersey. The Associated Press reported.

It was the second straight match in which Chang, the world's fifth-ranked player, had played poorly.

He needed three sets to defeat Scott Warner, No. 199 in the world, in the first round on Tuesday, and could have used a third set against Stoltenberg, No. 113 player who was the world's No. 1 junior in 1987.

"I just couldn't hit the shots I wanted to hit," said Chang, who said he has not recovered from a two-week vacation following Wimbledon.

Gomez Beats Wilander
Andres Gomez defeated Mats Wilander, 6-1, 6-4, in the final of the U.S. Pro Tennis Championships on Wednesday in Brookline, Massachusetts. United Press International reported.

For Gomez, the No. 6 seed from Ecuador, it was his first tournament title since 1987.

Wilander, the No. 2 seed from Sweden, who had won seven of his previous eight meetings with Gomez, is winless since last year's U.S. Open.

Gomez used heavy top-spin ground strokes to keep Wilander on the baseline, and the usually steady Swede made numerous unforced errors.

Simms Firm on Holdout, Mandarich Eases Terms

The Associated Press

NEW YORK — Phil Simms, who quarterbacked the New York Giants to a Super Bowl championship three years ago, is standing firm on his contract demands of about \$1.4 million a year.

Offensive lineman Tony Mandarich, who has never played a down in the National Football League, has lowered his demands to the same high-end district.

The 315-pound (143-kilogram) tackle, the top choice of the Green Bay Packers and No. 2 overall in the NFL's college draft, told the Milwaukee Journal he no longer insists on getting as much as quarterback Troy Aikman, the first pick, who signed an \$11.037 million, six-year deal with the Dallas Cowboys.

"He should make more than me because he was one pick better, but it shouldn't be \$5 million more," Mandarich said. "That's what I want. If Green Bay would come in and give me, instead of about \$2 million a year, \$1.4 million or \$1.5 million a year, we'd be a lot closer."

Mandarich's agent, Vern Sharbaugh, said Tom Bratz, the Packers' vice president for football operations, has refused to move from his original offer of \$4.1 million over five years. The NFL's top-paid

offensive lineman, perennial All-Pro Anthony Munoz of Cincinnati, will make \$600,000 this season.

Two more signings Wednesday — defensive end Wayne Martin by New Orleans and safety Louis Oliver by Miami — left 19 of the 28 first-rounders unsigned.

Oliver ended a three-week holdout when he signed a four-year contract with the Dolphins for an estimated \$2.05 million. Martin, an all-American from Arkansas, was the last of the Saints' draft choices to come to terms. He agreed to a four-year contract, the terms of which were not disclosed.

Simms is holding out for an increase in this year's \$800,000 salary to a reported \$1.4 million, plus a two-year contract extension. The Giants reportedly have offered \$1.2 million for 1989, the last year on Simms' current contract. Linebacker Lawrence Taylor is the team's highest-paid player, at \$1.1 million.

"How could you not be concerned?" said the Giants' coach, Bill Parcells. "You've got your starting quarterback out of camp. He's not one of those guys who can come in here and play in four days. If he tells you that, he's full of it. He knows it and I know it. His agent might not know it."

Mack Lobell, Now of Sweden, Favored in International Trot

The Associated Press

UNITED NATIONS, New York — Mack Lobell won't even know the difference, but he will be racing as a Swedish horse Saturday night when he is sent out to defend the International Trot title he won last year as an American entry.

What happened since he won last summer at Yonkers Raceway is that Mack Lobell was bought for \$6 million by Jon-Erik Magnusson of Sweden from Lou Guida, who had owned the horse since 1985.

Mack Lobell, now 5 years old, will be driven by John Campbell, who was in the sulky for the victory last year.

Mack Lobell got the No. 7 post position

in Wednesday's draw and was made the 7-5 favorite in the eight-horse field. He has a record of 46-5-4, with a victory in the 1987 Hambletonian, and earnings of \$2,785,945.

Scenic Regal, driven by Harold Story, drew the No. 4 post and was made the second choice at 4-1.

Sonia Williams, a 5-year-old French mare, was withdrawn from the race and replaced by Kit Lobell, also owned by a Swede, Johan Dierden, and driven by a Swede, Berndt Lindstedt. But Kit Lobell, a 4-year-old colt who has only \$412,930 in earnings, will run as an American entry.

Tim Rooney, the president of Yonkers Raceway, which hosts the \$350,000, 114-

mile (2,012-kilometer) race, announced the withdrawal of Sonia Williams.

A track spokesman said the mare had been prevented from leaving Paris because of a money dispute between the Algerian government and the carrier that was to have flown the horse to the United States.

Jean Riand, a French driver who was at the draw, said that Jean Kruthof, the trainer for Sonia Williams, did not want to prepare the horse in America.

"That's why he waited so long before leaving," Riand said. "He probably would have arrived here around 8 o'clock Tuesday night and would have to meet the quarantine requirements."

Asked why Algeria was able to get the French to block the flight, Riand said, "We have a lot of problems with Algeria. This is one more."

Hollyhock, representing Italy, and driven by Lorenzo Baldi, drew the rail and is 8-1.

Completing the field in post position order were Starmaster, Canada, Michel LaChance, 6-1; Reado, West Germany, Heiko Schwarm, 10-1; Scenic Regal, United States, Harold Story, 4-1; Ewing Turf, Sweden, Anders Lindqvist, 10-1; Indus, Denmark, Hans Svensson, 20-1; Mack Lobell, and Kit Lobell, U.S., Berndt Lindstedt, 6-1.

BOOKS

THE CONTROL OF NATURE

By John McPhee. Illustrated. 272 pages. \$17.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N.Y. 10003.

Reviewed by Christopher Lehmann-Haupt

A NUMBER of years ago, when the subjects of John McPhee's charming books were progressing from oranges to subatomic particles to the survival of the bark canoe, it seemed that one of these days he might be in danger of biting off less than he could chew.

Since then, however, his fare has grown dramatically. In his 20th book, "The Control of Nature," he has not only served himself an enormous subject, but he has written about man's habit of biting off more than he can chew.

He recounts how engineers are trying to prevent the Mississippi from shifting its mouth some hundred miles to the West; how Icelanders saved a harbor by cooling the flow of lava that was threatening to clog it; and how Californians cope with the slides of debris from the San Gabriel Mountains that devastate them periodically.

Is there hubris involved in these battles "when human beings conspire themselves to fight against the earth, to take what is not given, to rout the de-

stroying enemy, to surround the base of Mount Olympus demanding and expecting the surrender of the gods," as McPhee puts it in one of his less plain-spoken passages?

He does mention that many complaints have been lodged against the U.S. Army Corps of Engineers for controlling the Mississippi's flow; in the river's delta, it seems, one man's shrimp fleet is another man's erosion.

Yet he also reminds us that a vital infrastructural industrial concentration often referred to as the American Ruhr depends on the current course of the Mississippi. This is made up of such businesses as B.F. Goodrich, Union Carbide and Exxon and would be destroyed if the river changed its direction.

And the enterprising Icelanders, by chilling out the lavas of Surtsey, as the new island formed by the eruption was called, not only saved their most precious fishing port but actually improved it.

Still McPhee is not that much concerned with the morality of tampering with nature. He prefers to find words for the forces in the battle.

Or he savors dramatic proofs of a point he is making. "The San Gabriel Mountains are as rugged as any terrain in America, and their extraordinary proximity to the city, the abruptness of the transition from the one milieu to the other, cannot be exaggerated.

A lone hiker in the San Gabriels one

winter — exhausted, snow-blinded, hypothermic — staggered down a ridge line out of the snow and directly into the parking lot of a shopping center, where he crawled to a phone booth, called 911, and slumped against the glass until an ambulance came to save him."

Now and then McPhee overindulges his fondness for description that sounds better than it communicates. Too often, his narrative seems to meander simply for the charm of its meandering.

But finally it meanders to a telling conclusion. McPhee asks various Angelenos why they persist in building their homes on the slopes of the San Gabriels, despite the inevitability of the fire that ignites the chaparral that creates the water-proof soil that eventually gives way in the rain to produce the destructive debris that sweeps down the mountains, gathering up human artifacts and becoming "so full of automobiles it was like bread dough mixed with raisins."

"You learn to adapt," says one resident. "You live with it. Fortunately, trouble doesn't come too often. In the years we have been here, we have had only one major earthquake, two major fires, and one major flood."

This is what psychologists call denial. It enables people to go on living in the face of malevolent nature. This is what McPhee ends up capturing so tellingly.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

ONE of the most exciting Spingold Knockout Team finals in the 56-year history of the event ended Monday. The choice of opening lead on the 64th and final deal gave the victory to Jim Payne, Chuck Burger, Bob Hamman, Bob Wolff, Mike Passell and Mark Lair. This team has now won three national team championships for the chance of its meandering.

But finally it meanders to a telling conclusion. McPhee asks various Angelenos why they persist in building their homes on the slopes of the San Gabriels, despite the inevitability of the fire that ignites the chaparral that creates the water-proof soil that eventually gives way in the rain to produce the destructive debris that sweeps down the mountains, gathering up human artifacts and becoming "so full of automobiles it was like bread dough mixed with raisins."

"You learn to adapt," says one resident. "You live with it. Fortunately, trouble doesn't come too often. In the years we have been here, we have had only one major earthquake, two major fires, and one major flood."

This is what psychologists call denial. It enables people to go on living in the face of malevolent nature. This is what McPhee ends up capturing so tellingly.

Christopher Lehmann-Haupt is on the staff of The New York Times.

Christopher Lehmann-Haupt is on the staff of The New York Times.

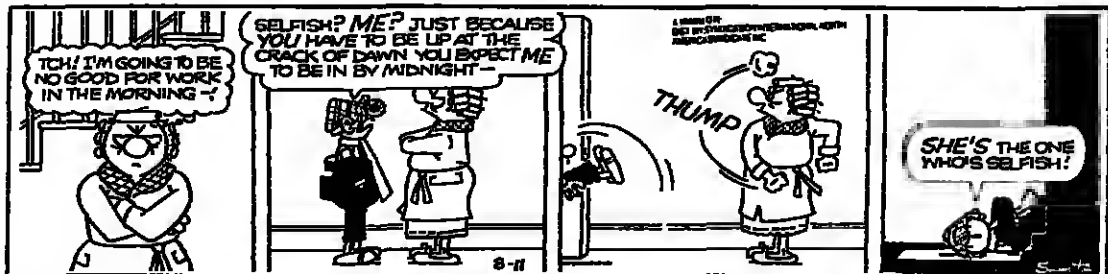
PEANUTS



BEETLE BAILEY



ANDY CAPP



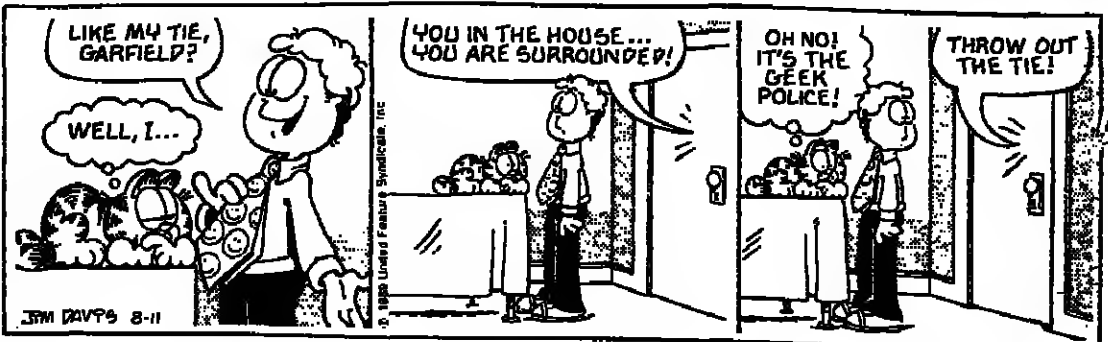
WIZARD OF ID



REX MORGAN



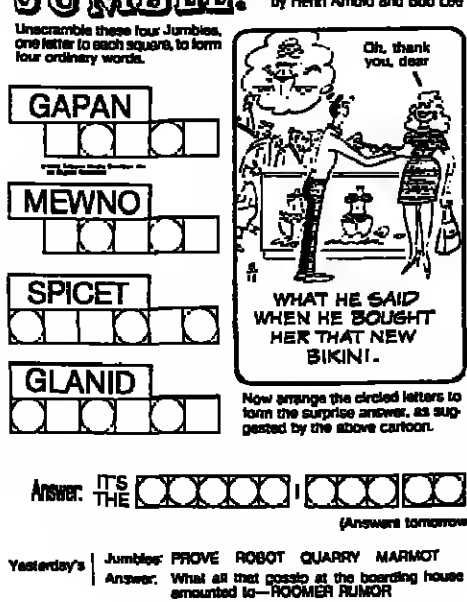
GARFIELD



DENNIS THE MENACE



JUMBLE



BLONDIE



SPORTS

Has-Beens Are to Be Once-Again

By Robert McG. Thomas Jr.

New York Times Service

NEW YORK — In the middle of August it may be hard to believe, especially for fans who've given up on their favorite major league teams for the year, but the start of the baseball season is less than three months away.

That seeming pipe dream was the real word Wednesday from Jim Morley, the founder of the new Senior Professional Baseball Association, an eight-team Florida league for former major league players. The league is set to begin a 72-game, three-month season on Nov. 1.

The league, which will play in minor league stadiums, is designed to give has-beens a chance to become once-again. Morley said it was a runaway preseason success, with more than 600 recently retired players indicating a strong interest in joining the league, which will have room for only about one-third of them.

The prospective second-time-around players include some of the biggest names of recent major league seasons, among them Cy Young Award winners, Vida Blue and Rollie Fingers; an American League batting champion, Bill Madlock; and such familiar New York figures as Ray Knight, Greg Nettles, Bucky Dent and Dave Kingman, not to mention such ac-

claimed pitchers as Tug McGraw, Jerry Koosman and Mark Fidrych and a slew of such sluggers as George Foster and Bobby Bonds.

Those players were among 120 hopefuls — 15 to a team — who were drafted on Monday by the eight owners, who are now trying to sign the players under the league's strict financial rules.

The rules limit a team to an annual salary of \$550,000, and limit players to no more than \$15,000 a month. Players not chosen in the draft will be free agents. Although the league is open to any former major league player at least 32 (32 for catchers), all but 26 of those on the new protected lists are 40 or older; 11 of the others are pitchers.

"This is not a league for old-timers," said the league's commissioner, Curt Flood, who predicted that the level of play would be of the highest caliber.

Play will be under standard major league rules, with designated hitters.

Flood, 51, said he had been only a little tempted to become a player rather than the commissioner of the new league.

"The top of my body wanted to play," he said, "but my wheels weren't up to it."

Flood, a former outfielder for the St. Louis Cardinals who lost a famous court challenge to the reserve system, which once

bound players to a single team, said he was delighted with the irony of his new title. "I'll be sensitive to the players' needs and the needs of the owners," he said.

Morley, 32, a Colorado real estate developer who once played minor league ball for the San Francisco Giants' organization, said his brainstorm had sports entrepreneurs slapping their foreheads and wishing they had come up with the idea. He said 73 groups had applied for franchises.

After reserving the St. Petersburg franchise for himself, Morley sold the seven others (Daytona Beach, Orlando, Winter Haven, Fort Myers, Miami, St. Lucie and West Palm Beach) for \$1 million each. Depending on how well the league does financially, Morley said, he would get to keep as much as \$600,000 of each franchise fee.

"I got the idea back in January, and when I started putting the league together, everything just fell into place," he said.

As Morley prepared to leave Florida on Wednesday he said that he had concluded a three-year cable-television contract calling for 30 telecasts the first season, or two games a week, one on Friday night and the other on Sunday morning, just before the National Football League games. He would not identify the cable company,

The prospective players include some of the biggest names of recent major league seasons: Cy Young Award winners Vida Blue and Rollie Fingers and a slew of such sluggers as George Foster and Bobby Bonds.

which he said would announce the contract this week.

After the regular senior league season, there will be an all-star game the week before the Super Bowl, and a playoff between the top two teams in the regular season standings will be held the week after the Super Bowl.

Flood said he was not surprised that so many former stars had responded to the call for players.

"Baseball is an affliction that strikes at about age 5," he said. "And as I look down this list, I see a lot of people who haven't been cured."

Reid Takes Early PGA Lead, With Watson a Stroke Behind

Compiled by Our Staff From Dispatches

HAWTHORN WOODS, Ill.

—Mike Reid shot a six-under-

par 66 Thursday to take the early-

round lead in the 71st PGA

Championship at the Kemper

club course.

Reid had six birdies and no bog-

eys in search of his first victory

in six years and first major title.

He shot 32 on the front nine and 34 on

the back side.

Reid went six under when he

holed No. 18 to take a one-stroke

lead over Tom Watson, who has

won every major tournament except the PGA. The PGA has a purse of \$1.2 million and a top prize of \$200,000.

Watson shot a 34-33-67. He was two under at the turn, went another stroke down with a birdie on No. 11, bogged No. 12 but

birdied 15, 16 and 18.

Ian Woosnam and Phil Blackmar were another stroke back. Woosnam had 35-33 and Blackmar had a 34-34. David Edwards shot a 36-33-69.

Curtis Strange, the U.S. Open

champion, had a steady 34-36-70 with no bogeys and two birdies on the third and eighth holes. Also finishing at 70 were Don Pooley and Mike Hulbert.

Hulbert went out in 31, but shot 39 on the back nine with a double-bogey 6 on No. 10.

Defending champion Jeff Sluman and Nick Faldo, the Masters champion, were among the late starters. Mark Calcavecchia, the British Open champion, withdrew because of the birth Tuesday of his first child.

Other late starters included Greg Norman, Paul Azinger, Tom Kite and Jack Nicklaus.

Although public golf courses often come in for unfair scorn as the poor man's poorly conditioned playgrounds of the old game, even the haughtiest of private club members could be jealous of the Kemper Lakes public course just west of Chicago.

"It's the finest-conditioned golf course I've ever played in the world," said Raymond Floyd, the winner of 27 years on the tour and the winner of the 1989 and 1992 PGA Championships and two other majors. Such words don't come easily from the captain of the 1989 Ryder Cup team.

Greg Norman had kind things to say about Kemper Lakes. "One word. It's perfect. I talked with Raymond Floyd this morning and he says there is none better. Not Augusta, not Muirfield."

Those are Augusta National, site of the Masters, and Muirfield Village, site of Jack Nicklaus's Memorial Tournament, two courses always in mint condition for the big events.

"We are in for a very good week of major championship golf," Norman said.

The 7,197-yard course looks like a brochure picture of lush fairways and greens.

The finish could be exciting on the tantalizing 72d hole, which is designed so a long hitter might just attempt to drive the green if the wind is behind him. And it can get windy here.

Norman, who drove the green of that par-4, 433-yard hole in an exhibition last year, said he would not try to drive it this week "because of the trees planted left of the tee and because the tee will be back."

If he was trailing by two shots going to No. 18 on Sunday, would he then give it a go? Norman replied, "Well, in that case..."

There is a feeling here that this time Norman will win it because he seems to be playing his best and maybe he's done. He hasn't played in a tournament since shooting a record 64 in the final round of the British Open at Troon on July 23.



Greg Norman, one of the favorites in the PGA Championship, wore a grim look as, on his final practice round, he crossed a footbridge going through the reeds near the 17th hole.

that par-4, 433-yard hole in an exhibition last year, said he would not try to drive it this week "because of the trees planted left of the tee and because the tee will be back."

If he was trailing by two shots going to No. 18 on Sunday, would he then give it a go? Norman replied, "Well, in that case..."

There is a feeling here that this time Norman will win it because he seems to be playing his best and maybe he's done. He hasn't played in a tournament since shooting a record 64 in the final round of the British Open at Troon on July 23.

Norman, who drove the green of that par-4, 433-yard hole in an exhibition last year, said he would not try to drive it this week "because of the trees planted left of the tee and because the tee will be back."

SIDELINES

Britain's Last Boat Wins Admiral's Cup

PLYMOUTH, England (AP)—A 20th-place finish by its final boat gave

Britain a victory Thursday in the Admiral's Cup, restoring the host nation

the spot it has held for most of the sailing regatta's 34-year history.

When indulgence, a one-tonner skippered by Eddie Warden Owen,

crossed the finish line, it gave Britain 748 points, 17% more than

mark in the closest victory margin since the United States won by 14

points in 1969.

It was Britain's ninth victory in 17 Admiral's Cups. Defending champion New Zealand was third with 667.5 points, with France fourth (622), Australia fifth (617) and the United States, which had one of its boats drop out after losing its mast Wednesday, sixth (600).

Notre Dame Loses 4 Football Players

SOUTH BEND, Indiana (Combined Dispatches)—Notre Dame's bid

for a second straight U.S. college football title suffered a major setback

Wednesday when it was learned that four key players would not be

available this season.

Coach Lou Holtz was told by university officials that tailback Tony

Wicks, linebacker Mike Stueckrepper and defensive tackle George Wil-

ms were off the team for disciplinary reasons, while fullback Braxton

Hicks has resigned a knee and will not be able to play this season.

Earlier, in Coral Gables, Florida, Notre Dame and the University of

Miami announced a four-game, home-and-home series in men's basket-

ball, but said they schools have no plans to extend their heated football

rivalry beyond 1990.

(UPI, AP)

or the Record

gor Belanov, 28, a Soviet forward who is a former European soccer

player of the year, has signed a two-year contract to play for Borussia

Munich. He is to join the West German team in November

after finishing the Soviet season with Dynamo Kiev.

(AP)

A National Football League game in Scotland next year, matching the

aston Oilers and Tampa Bay Buccaneers, is pending league approval,

according to Danny Smith, the Oilers' executive assistant.

(AP)

Tomb Raider South Carolina football coaches — Tom Kurosz, Ron

Shubert and Keith Kephart — were sentenced Thursday to terms

ranging from three months to six months in a halfway house for using and

abusing steroids within the athletic department.

(AP)

Jatin Ronger, 22, a talented East German cyclist, defected from her

on July 27 during a race in Switzerland and is now in West Germany,

Stuttgarter Nachrichten newspaper reported Thursday.

(AP)

COREBOARD

BASEBALL

for League Standings

AMERICAN LEAGUE

East Division

L. Pct. GB

Tampa Bay 57 318 0.500

Toronto 56 317 0.495

Detroit 55 316 0.490

Chicago 54 315 0.485

Seattle 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

Oakland 56 317 0.495

Minnesota 55 316 0.490

Kansas City 54 315 0.485

Houston 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

West Division

L. Pct. GB

Los Angeles 57 318 0.500

San Diego 56 317 0.495

San Francisco 55 316 0.490

Colorado 54 315 0.485

Arizona 53 314 0.480

National League

East Division

L. Pct. GB

New York 57 318 0.500

Philadelphia 56 317 0.495

Pittsburgh 55 316 0.490

Cincinnati 54 315 0.485

St. Louis 53 314 0.480

